

Chair
Cabinet Economic Growth and Infrastructure Committee

SMALL PASSENGER SERVICES – FUTURE REGULATORY SYSTEM

Proposal

1. We are seeking Cabinet Economic Growth and Infrastructure (EGI) Committee's agreement to a new regulatory system for the small passenger services sector (the sector).

Executive summary

2. This paper seeks EGI's agreement to a new regulatory system for the sector to ensure the same regulatory requirements apply equally to all operators under a new, single class of passenger service. The proposed system will continue to have a focus on safety for drivers, passengers, and vehicles. The proposed changes are necessary to:
 - 2.1. respond to technology advances and the introduction of new business models within the sector (developments in these areas are making the existing regulatory distinctions between different classes of passenger services problematic and obsolete)
 - 2.2. ensure the sector operates in a competitive market
 - 2.3. ensure that the regulatory system is fit for purpose to meet New Zealand's future needs and that it delivers maximum benefits for consumers.
3. The proposed single class of small passenger service will enable firms to operate on an even footing and to provide a range of services that respond to market signals, while providing the necessary fundamentals for safety. The proposals in this paper will also remove a number of the current regulatory requirements that impose costs on operators, but no longer offer any significant benefits.
4. The proposals in this paper result from a review of the sector undertaken by the Ministry of Transport in early 2015.

Understanding the problem

5. Drivers and passengers need to be confident that they are safely providing and using small passenger services. The Government's role is to provide a regulatory system

that facilitates safe operations, and which promotes a sector that takes responsibility for ensuring safety.

6. The existing regulatory system establishes clear distinctions between the types of services that operate within the sector (taxi, private hire, shuttles, dial-a-driver, ridesharing and carpooling). These regulatory distinctions apply varying levels of compliance burden and restrictions across the types of operators.
7. Taxi operators must ensure they develop and run their services according to an approved set of operating rules, provide 24/7 coverage, maintain approved in-vehicle cameras and panic alarms, register fares with the NZ Transport Agency, use meters to charge passengers, and comply with mandatory signage requirements. Compliance with these requirements permits taxi services to operate on a taxi rank and to accept passengers hailing taxis from the street, as well as take pre-bookings.
8. In comparison, the wider private hire (non-taxi sector) operators commonly provide specialist wedding vehicles or limousine services. These services are prohibited from using a meter and are restricted to customers that have pre-booked on an agreed fare basis.
9. Technology is enabling innovative business models (operating broadly within private hire rules) to take pre-bookings for immediate hire using smartphone applications. Technology is allowing these services to compete with taxis for passengers, but without having to meet the same compliance costs required for a taxi.
10. Internationally, ridesharing services (an extension of carpooling; but where a third party smartphone app or website connects drivers with passengers travelling to similar destinations) are increasing. The opportunity for ridesharing in New Zealand could provide significant benefits, such as improving customer services, reducing congestion, increasing transport choices and reducing emissions. However, with the existing system, these services are likely to operate outside the regulatory system according to the existing definitions. This means the safety risks associated with these services are not managed by the regulatory system.
11. The circumstances in which the services provided by the sector when the current regulatory system was established in the late 1980s are very different from today. Technology, the range of services offered, and consumer expectations have changed greatly. As a result, much of the existing regulation is outdated and imposes costs on the sector that can no longer be justified.

Options considered

12. The Ministry's review identified five regulatory reform options to provide the Government with choices about the future regulatory approach for the sector. A set of

future state objectives were developed to identify what outcomes are sought from the sector and were used as criteria to assess the key issues and regulatory reform options.

13. The five options considered are:
 - 13.1. Option 1 – retain the status quo
 - 13.2. Option 2 – modify the status quo
 - 13.3. Option 3 – reduce regulatory burden for a single class, with individual driver focus
 - 13.4. Option 4 – reduce regulatory burden for a single class of approved transport operator
 - 13.5. Option 5 – a single class of approved transport operator that meets taxi standards.
14. We consider that Option 4 – reduce regulatory burden for a single class of approved transport operator will provide New Zealand with an optimal regulatory system and will best deliver against the objectives that the Government is looking for from the sector.
15. Operators will be able to compete on an even footing and offer a range of services (quality and cost) that respond to market signals. The proposed system will deliver benefits through increased competition, more flexibility to accommodate new technologies, and will enable transport operators to make their own business decisions on a range of issues, while the system will regulate to provide the fundamental safety requirements.

How the future regulatory system will function

The proposed future regulatory system is based around a reduced level of regulatory burden, with a single class of approved transport operator.

The single class of regulated small passenger service will cover taxis, private hire, shuttles, ridesharing, and dial-a-driver services.

Any person or company that operates a small passenger service will have to be approved by the NZ Transport Agency as an 'approved transport operator'. The NZ Transport Agency will register an approved transport operator in its database provided it has assessed the person(s) who would be in control of it as being fit and proper to run the passenger service.

The approved transport operator will be responsible for ensuring the following:

- drivers hold current Passenger (P) endorsements (and hold a driver identification card)
- drivers comply with work time limits
- all vehicles have a current Certificate of Fitness (CoF)
- all vehicles comply with the approved in-vehicle cameras requirements (unless they operate outside areas requiring this)
- NZ Transport Agency is advised of any serious improper behaviour by drivers
- assistance is provided to the NZ Transport Agency or New Zealand Police with an audit or any investigation.

An approved transport operator will set its own fares and be able to accept jobs from passengers via pre-bookings, or be engaged off a rank or street hail.

A driver will have to be associated with an approved transport operator (owner drivers could be their own approved transport operator). An individual driver will continue to be required to hold a P endorsement and display their identification card for passengers, drive within the work time limits (particularly where they drive for more than one approved transport operator), and that their vehicle has a valid CoF.

All services within the 18 main urban areas will be required to have an in-vehicle recording camera system, or an exemption to manage passenger and driver safety.

The NZ Transport Agency will approve applications for new approved transport operators (on the basis that the person(s) in control is a fit and proper person). It will register the approved transport operator and ensure that an approved transport operator or driver is operating in accordance with the law (P endorsements for drivers, work time limits and vehicles having a CoF).

The NZ Transport Agency will issue passenger endorsements for drivers (having made an assessment that they are a fit and proper person to drive a small passenger vehicle). The NZ Transport Agency will be able to suspend or revoke an approved transport operator or a driver's right to operate if it is in breach of the law.

Implementation of the future system

16. The proposals in this paper will primarily require changes to the Land Transport Act 1998 (the Act) and the Land Transport Rule: Operator Licensing 2007. Amendments are also required to other transport rules and regulations to give effect to the proposals in this paper.
17. [REDACTED]
18. Changes to the relevant rules are required to give effect to the policy proposals in this paper. The Act requires that rules must be publicly consulted on. [REDACTED]

Applying in-vehicle recording cameras to the future single class system

19. In 2010, the Government in response to calls from taxi sector operators, mandated the use of in-vehicle recording cameras and panic alarms for taxi services in main urban centres, with the intention of reducing the personal safety risks to taxi drivers.
20. We have considered options for retaining in-vehicle recording cameras, that have the lowest reasonable compliance costs and promote innovation and the use of new technologies. These options are summarised below, with our proposed option being to mandate in-vehicle recording cameras with an exemption provision.
 - 20.1. **Mandatory in-vehicle video recording cameras** – applying the current regulatory system for taxis to all operators.
 - 20.2. **Obtaining a visual record** – operators would be required to take or hold a visual record of the passenger (this could be either a still image or video recording if operators opt for it).
 - 20.3. **Operators' business decisions** – operators make their own business decisions on how they can best ensure the safety of drivers and passengers.
 - 20.4. **Mandating in-vehicle recording cameras with exemption provision** – operators would be required to have in-vehicle recording cameras as is currently mandated for taxis, but with an option to be exempted by the NZ Transport Agency should they be able to demonstrate they can ensure the safety of drivers and passengers through alternative means (proposed option for the future).

21. Under our proposed approach, all approved transport operators and their services within the 18 main urban areas would be required to meet the existing requirements for in-vehicle recording cameras. 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 specified criteria to provide for driver and passenger safety.
22. We recognise that there is a range of other innovative and technology based solutions that provide alternative means to help manage the risk posed to driver safety.¹ We consider that the proposed approach will ensure driver and passenger safety while promoting innovation within a regulatory system that supports competition between services.

Introduction and the need for regulatory reform

23. In 2015, the Associate Minister of Transport asked the Ministry of Transport to undertake a review of the small passenger services regulatory system. The need for review is in response to the growth of technology within the sector. The review has sought to determine how New Zealand's regulatory environment for the sector can continue to be fit for purpose and flexible enough to accommodate new technologies.
24. The existing regulations establish clear distinctions between the types of services that operate within the sector (taxi, private hire, shuttles, dial-a-driver and carpooling, while not addressing ridesharing at all). These regulatory distinctions apply varying levels of compliance burden across the types of operator. However, technology is challenging this system and we are experiencing the introduction of alternative, technology-based models entering the market.
25. Innovation within the sector is presenting new approaches to addressing risk, which the existing system manages through prescriptive regulation. Retaining the status quo is not an option if the Government wants to ensure a dynamic and competitive small passenger services market that delivers benefits for consumers.

Sectors the proposed future regulatory system will apply to

26. The proposed system set out in this paper is intended to apply to the following parts of the sector as defined in the existing legislation, or where not defined, described below.
 - 26.1. *Taxis* – are permitted to collect passengers through street hails or bookings, required to use a meter, and must be part of an Approved Taxi Organisation.

¹ For example, smartphone applications that include a photo of the driver and the passenger and enable each party to rate each other as part of incentives for good behaviour, GPS tracking and live tracking of the location of passengers and drivers, and the ability to share this information with third parties.

- 26.2. *Private hire* – traditionally provided specialist vehicles for use in special events, such as wedding cars, Crown cars, or limousines. These services can only take pre-booked passengers and the fare must be agreed before the start of the trip.
- 26.3. *Shuttles* – services that carry passengers that begin or end their journey at the airport, a bus or ferry terminal, or a railway station. Shuttles generally provide shared services for individuals travelling to and from these locations.
- 26.4. *Dial-a-driver* – services that use the vehicle provided by one of the passengers and the driver is paid for the transport of the passenger's vehicle.
- 26.5. *Ridesharing* – where a driver and passenger (who may not know each other) are travelling to similar destinations at similar times. They are connected by a third party that takes a share of any money exchanged between the passenger and driver. Ridesharing is an emerging service for users of small passenger services.
- 26.6. *Transport network companies* – consider themselves as providing communications functions between passengers and drivers, as opposed to providing services.²

Sectors that the regulatory system will not apply to

27. We do not propose that the regulatory system apply to carpooling, based on the circumstances set out below.
28. The first circumstance is where two or more people who have a pre-existing knowledge of each other (for example, they may be colleagues or neighbours) and may share the operating costs of the trip such as petrol and depreciation, but not the driver's time.
29. The second circumstance is where a driver and passenger (who may not know each other) are travelling to similar destinations at similar times and use a third party to connect them. The driver and passenger may have a cost-sharing arrangement (as described above), but the third party does not receive any revenue for facilitating the carpooling trip. It should be noted that this type of operation still carries the same risks that are regulated for in the wider system (unknown driver and passenger).
30. We expect the prevalence of these services to be of limited scale. It is likely that drivers of carpooling and ridesharing services are more likely to drive for a regulated

² Some operators facilitate connections between passengers and drivers, and consider themselves as transport network companies (for example, Uber, where its services and drivers operate under private hire rules). The future regulatory system would consider that providers of such services would be approved transport operators, and that transport network companies would be those providing solely the communications services. Accordingly, the section in this paper 'Sectors that the regulatory regime will not apply to' provides where services would not be considered approved transport operators.

ridesharing service as the driver could gain compensation for their time (as opposed to cost recovery only). There are also limited incentives for a person to provide this type of service without a truly altruistic motive (as they are unable to profit from it). Furthermore, for regular trips such as home to work carpool arrangements, it is likely that once a driver and a passenger identified that they could coordinate their travel, the arrangement would become more like the first circumstance set out above.

31. We do not propose the future regulatory system apply to a transport network company (for example, a call centre company) that provided a back office communications function, through which it supported a completely unrelated approved transport operator.

Criteria for identifying the best approach for the future

32. As part of the review, a future state objective for the small passenger service sector was identified. It was then used as a set of criteria to assess the key issues and regulatory reform options. Appendix A provides a full explanation of the future state objective. The bullets below set out the criteria from that objective:

- 32.1. a system that is responsive to supply and demand
- 32.2. an efficient system that imposes the lowest level of compliance burden to achieve the regulatory objective
- 32.3. fees and charges should be transparent
- 32.4. provides effective choice for people to move where they need to go in a timely manner
- 32.5. the system incentivises the provision of improved customer services
- 32.6. the system mitigates the safety risk for passengers and drivers and ensures vehicle safety.

Options for future regulatory approach

33. This paper considers five regulatory reform options for the future. The options are underpinned by three broad regulatory reform approaches.
34. Each regulatory reform option has been assessed against a future state objective, which has been used as criteria. The following table sets out a summary of the five regulatory reform options.

<i>General approach</i>	<i>Regulatory reform options</i>
Retaining status quo	<p>Option 1 – Retain status quo</p> <p>This option would involve generally retaining the existing regulatory system. This would introduce the proposed definitions of ridesharing and require it to be regulated in line with private hire. Carpooling would be exempted.</p>
	<p>Option 2 – Modified status quo</p> <p>This option would be the same as Option 1 and would also clarify the distinctions between taxi and private hire services by establishing a requirement that private hire services must be booked 60 minutes prior to the trip.</p>
Lower level of regulation and remove distinctions between types of operators to establish a single class	<p>Option 3 – Reduced regulatory burden for a single class, with individual driver focus</p> <p>This option would establish a single regulatory system that applies to all passenger services in the same way (including transport network companies for example, and technology provided services). In line with the approaches to the key issues, much of the detailed regulation would be removed or revised to provide a reduced level of compliance burden. Individual drivers would be responsible for managing compliance. Checking individual driver compliance would be the focus of the regulatory agencies.</p>
	<p>Option 4 – Reduced regulatory burden for a single class of approved transport operator</p> <p>This option would generally be the same as Option 3. However, regulatory compliance would sit at the company level. Anyone providing passenger services would have to be an “approved transport operator” (as approved by the NZ Transport Agency).</p>
Establish a single class of operator based on taxi standards	<p>Option 5 – Single class of approved transport operator that meet taxi standards</p> <p>This option establishes a single set of requirements applying equally across the sector. However, it would require all operators to meet the current regulatory requirements for taxis.</p>

35. Option 4 will provide New Zealand with an optimal regulatory system and will best deliver against the objectives that the Government is looking for in the sector. This option would remove much of the existing detailed prescription that controls how passenger services may be operated, leaving a range of matters to be taken as business decisions by individual operators.

36. We expect this option to promote enhanced competition between service providers through evenly applied regulation and a lower level of compliance burden. This option would provide the strongest incentives for the provision of improved customer services, compared to the status quo.
37. Requiring a regulated approved transport operator will promote higher levels of regulatory compliance within the sector. An approved transport operator will, in addition to the need to comply with its regulatory obligations, have its own business incentives to manage the quality of its drivers and their vehicles. The close alignment of the regulatory requirements and business incentives will act to promote regulatory compliance across the sector. This option will also enhance regulatory efficiency for the NZ Transport Agency compared to Option 3.
38. There are a number of proposals we are seeking EGI's agreement to, in order to give effect to Option 4 – Reduced regulatory burden for single class of approved transport operator.

Ensuring passenger safety under a single class of small passenger services

39. The future regulatory system needs to ensure that passengers are confident that they can use small passenger services safely. Personal safety risks for passengers stem from being in a one-on-one situation with drivers where they have little or no information about the driver or the safety of the vehicle. Once they are inside the vehicle the passenger is essentially a 'captive' customer.
40. Historically, passengers connected with a taxi by telephone or off the street (a taxi rank or street hail). Both of these approaches offer only limited protection in terms of passenger safety. How passengers connect with a taxi service (along with the features and technologies that a particular operator has with the connection mode) can influence their confidence in the service and safety.
41. The regulatory system should provide minimum standards to manage risks, and passenger service operators should be able to make their own business decisions to implement other features that enhance passenger safety.
42. There is still a need for regulation to provide passengers with confidence that they can safely use small passenger services. Accordingly, we propose that the minimum standards should retain the existing requirements for:
 - 42.1. the driver to be a fit and proper person (and hold an identification card displayed to passengers)

- 42.2. a complaints mechanism – for serious improper behaviour³ by drivers
- 42.3. ensuring sufficient driving experience
- 42.4. managing driver fatigue
- 42.5. ensuring the vehicle is safe.

P endorsements and fit and proper person checks

- 43. We propose the primary mechanism to ensure safety of passengers continues to be a P endorsement to a driver's licence. This means all small passenger service drivers are subject to a fit and proper person check to be eligible for a P endorsement.
- 44. By precluding certain individuals from being able legally to drive a small passenger service vehicle, the fit and proper person test provides confidence to passengers about the suitability of a small passenger service driver.
- 45. The existing provisions set out that persons convicted of specified serious offences are prohibited from holding a P endorsement. The provisions also permit the NZ Transport Agency to take into account relevant criminal convictions (such as assaults or sexual offending), road traffic history, as well as any relevant information that may be held by the NZ Police (such as patterns of behaviour that may indicate a person is not appropriate to hold a P endorsement). These provisions will not change in the future system.
- 46. The NZ Transport Agency is currently responsible for assessing if an individual is a fit and proper person to participate in the small passenger service sector as well as other commercial driving sectors. Each year the NZ Transport Agency receives around 2,800 new P endorsement applications. Fit and proper person checks on an additional 24,000 P endorsement holders are undertaken each year. These checks are for applicants renewing their P endorsements. The NZ Transport Agency's annual checks ensure that holders of P endorsement (valid for five-years) are still fit and proper.
- 47. A key element of the fit and proper person assessment is a vetting check undertaken by NZ Police. From late 2014, the timeframe for the Police checks exceeded the service level agreement of 20 working days due to resource constraints at NZ Police and increased demand for services (the implementation of the Vulnerable Children Act 2014 required additional vetting services from NZ Police). These circumstances resulted in significant delays (up to around 50 working days) with the processing of passenger endorsement applications.

³ For example, serious behaviour and offences include murder, attempted murder, sexual offences, abduction, kidnapping, robbery, and intent to cause bodily harm by injury.

48. In September 2015, the NZ Transport Agency and NZ Police implemented a system that gives priority to new applicants and those renewing their endorsements. In addition to the system, the NZ Police's commitment to reducing processing times for vetting checks has already seen a significant improvement in the time taken to complete police checks.
49. Police checks for the NZ Transport Agency are now being completed (for new and renewal applicants) within the 20 working days service level agreement. Police are committed to maintaining processing times at this level, and believe further improvements in timeframes are achievable.
50. The NZ Transport Agency is continuously improving the P endorsement application process, which is still predominantly paper based. Shortly the NZ Transport Agency will be digitising P endorsement applications and using a centralised case management system including an online tool that customers can use to track the progress and status of their application. This will result in process improvements, reduced timeframes, and better information for customers. It is also expected to result in fewer follow-up enquiries from applicants to the NZ Transport Agency.
51. Our clear expectation is that standard P endorsement applications will be completed within a maximum of 20 working days.⁴ We also expect improvement on this timeframe. We have asked the NZ Transport Agency to report to us on reducing timeframes, and to continue monitor the timeframes for these applications and report to us if timeframes exceed 20 working days.
52. We expect the Ministry of Transport, NZ Transport Agency, and NZ Police to commit to further improvements and are investigating whether additional measures (such as further prioritisation, and changes to business practices) can be made to further improve timeframes for checking if a person is fit and proper to hold a P endorsement. These agencies will report back to us in mid 2016 on further options for improvement. We intend to express our position on the service delivery of the P endorsement assessment in the future through the Minister of Transport's annual letter of expectations to the Chair of the NZ Transport Agency.

Serious complaints mechanism

53. We are proposing that, as is currently the case for taxi organisations, all approved transport operators should have a duty to notify the NZ Transport Agency of any complaints received alleging serious improper behaviour by drivers. This will be

⁴ Standard applications are applications where the applicant has supplied all necessary information (including evidence of completing any tests, medical requirements and courses). Non-standard applications take longer because the applicant has either not completed all the requirements or because information is required to be obtained from overseas jurisdictions.

supported by a duty for approved transport operators to support the NZ Transport Agency and the NZ Police when either party undertakes any regulatory or compliance activity.

54. These requirements will require the approved transport operator to take responsibility and manage any serious behavioural issues with drivers, while ensuring the NZ Transport Agency is alerted to any information that may result in a driver no longer being fit and proper.
55. The existing system requires all small passenger services to maintain a complaints register, including prescriptive requirements regarding how the complaint must be recorded, and applies to all complaints that the company may receive. We propose to remove the remaining requirements applying to complaints and how they are recorded. How approved transport operators manage complaints that fall outside this scope should be a matter for each business to determine for itself.
56. This approach recognises that technology is offering new approaches for companies to present and manage their brands in the market place. For example, some companies provide passengers with the opportunity to rate their driver (and drivers to rate their passengers), while social media is increasing its ability to impact on the reputation and brand of companies.

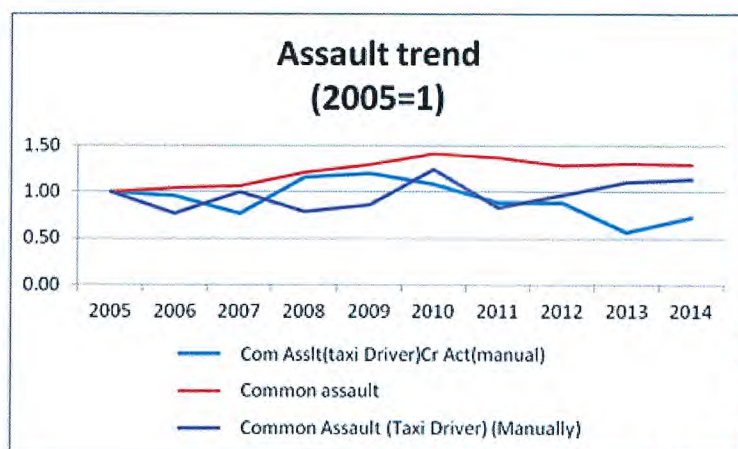
Retaining other passenger safety-related requirements

57. We propose to retain a number of passenger safety-related provisions within the existing rules, and apply them across the future single class of operator.
 - 57.1. Two years NZ driving experience pre-requisite for P endorsements – to ensure drivers are sufficiently experienced to be driving passenger services.
 - 57.2. Management of driver fatigue – extend the current system applicable to taxi services to the wider system, and for the work-time and log-book system to continue to apply as it does currently.
 - 57.3. Retaining the CoF inspection – similar to a Warrant of Fitness (WoF) for a private car, but required every six months.

Ensuring driver safety

58. Drivers of small passenger services face safety risks as they are in a one-on-one situation with passengers they do not know, or who may be intoxicated.
59. Between 2008 and 2012, there was an annual average of 81 assaults (under the Crimes Act 1962 and Summary Offences Act 1981) on taxi drivers, this included two

drivers that were killed in assaults.⁵ The graph below sets out the assault trend between 2005 to 2014 for offences against drivers.



60. In 2010, the Government, in response to calls from taxi sector operators, mandated the use of in-vehicle recording cameras and panic alarms for taxi services in main urban centres only, with the intention of reducing the personal safety risks to taxi drivers. In-vehicle recording cameras have also provided safety benefits for passengers.
61. In line with this Government's previous decisions, we are committed to ensuring that the safety of drivers and passengers is maintained. For the future, we propose that all small passenger services are subject to the existing requirement for an in-vehicle recording camera, with this proposal being supported by an exemption system. Our intention with the exemptions component in the system is to provide for passenger and driver safety, while ensuring that operators face lowest reasonable compliance costs and are able to innovate and make the most of the new technologies as they become available.
62. Applying this proposal to the future sector will mean that some operators will be required to meet a higher level of compliance burden (through either an in-vehicle recording camera or to meet the exemption criteria), for example, those operating traditional private hire services.
63. That said, the range of technology-based systems is vast and evolving quickly. Currently, New Zealand has small passenger services that utilise features such as: enabling information about the driver and passenger to be provided to each other (including images and post-trip rating systems); live GPS tracking of the location of passengers and drivers; and cashless transactions that reduce the risk of a driver being attacked. These innovations are occurring within app-based and traditional services.

⁵As set out in 'Taxi Driver Safety Review', a report commissioned by the Ministry of Transport, 2013.

Proposal for the future system

64. We are proposing that small passenger service vehicles must be fitted with an in-vehicle recording camera, unless the NZ Transport Agency is satisfied the approved transport operator complies with specified criteria which mean a recording camera is not needed. As a result of public consultation, we also propose that mandated in-vehicle recording cameras only be required in the 18 specified locations (our main urban areas) as is currently the case⁶. The NZ Transport Agency would continue to approve appropriate in-vehicle recording camera systems that approved transport organisations could use. The NZ Transport Agency will be able to provide an approved transport operator with an exemption from the in-vehicle recording camera requirement, where it meets each of the following criteria:

- 64.1. **Providing services to registered passengers only** – An approved transport operator only provides services where the passenger is registered with the approved transport operator.
- 64.2. **Collection of driver and passenger information** – When registering with an approved transport operator, a passenger/driver must provide their name, photo, address, and phone number.
- 64.3. **Availability of driver and passenger information** – In advance of commencement of each trip, the approved transport operator makes the name and photo of the passenger and driver available to each other.
- 64.4. **Retaining a record of each trip** – The approved transport operator retains a record of each trip undertaken, including the start and end points. The minimum retention time for this record will align with that of the in-vehicle recording camera requirements.

65. [REDACTED]

66. An approved transport organisation could seek exemption for all of its vehicles, or for specific vehicles (for example, an approved transport operator could have a fleet of vehicles with a mix of in-vehicle recording cameras and those that are operated under the exemption).

⁶ As listed in Schedule 5 of the Land Transport Rule: Operator Licensing 2007.

Withheld under section 9(2)(iv) of the Official Information Act 1982

67. The camera system would continue as it does currently, where the NZ Transport Agency considers applications for approval (from any person). Operators then choose from the range of approved systems which system they wish to use. The exemption process would be separate to the approval process of an approved transport organisation.
68. We propose that there be a corresponding offences and penalties system, which would apply to drivers and approved transport operators that operate services without either an in-vehicle recording camera or an exemption.
69. To enforce the system, we expect that the NZ Transport Agency include enforcement of the proposed in-vehicle recording camera or exemption requirements as part of undertaking its audit and investigation responsibilities.
70. The driver safety aspect of the exemptions will have crossover with an approved transport operator's Health and Safety at Work Act 2015 responsibilities. We expect that the specificity of the criteria will help to ensure clarity about the expectations for operators that hold exemptions and will help both systems to operate effectively with each other.
71. It is our expectation that where an approved transport organisation is considering how it may meet the criteria for an exemption, that it is required to do so in line with the Privacy Act 1993.
72. In the future system of a single class of operator, we have also considered three other options for the future of in-vehicle recording cameras. On balance, we consider that the other options are less likely to provide the safety, low regulatory burden, and incentivising improved customer services with competitive market objectives, in comparison to our proposed approach. The alternative options considered are set out below.
- 72.1. **Option 1 – Mandating in-vehicle recording cameras.** Operators within the small passenger services sector would be required to have in-vehicle recording cameras, as is currently mandated for taxis in main city centres. This would limit the incentives for operators to innovate and utilise new technology.
- 72.2. **Option 2 – Obtaining a visual record.** Operators would be required to take or hold (by a method of their choice) a visual image of the passenger (this could be either a still image or video recording). There are issues with this proposal's compatibility with the Privacy Act 1993. To manage these issues further prescription to the requirement may be required. Furthermore, this option is likely to deliver less safety benefits than our proposed approach.
- 72.3. **Option 3 – Operator business decision.** Operators make their own business decisions on how they can best ensure the safety of their drivers and passengers, including the use of a form of visual image or recording. This

option would require passenger service operators to make business decisions, rather than having to meet the cost of a particular technology. While this offers the lowest level of compliance burden, it does not provide the level of driver and passenger safety that we wish to achieve with the proposed future system.

Further provisions for driver safety

73. We propose that the future system retain (and apply to all small passenger services) one existing provision to help manage driver safety.
- 73.1. The power to refuse to accept some passengers – this enables passenger service drivers to refuse to accept passengers if they consider that their personal safety could be compromised.
74. The Health and Safety at Work Act will come into effect from 4 April 2016. The Act provides that all employers or ‘persons conducting a business or undertaking’ must ensure a safe workplace. An approved transport operator would have a duty, so far as reasonably practicable, to eliminate health and safety risks, or if elimination is not possible, to minimise the risk.
75. For the future, WorkSafe advises that it does not generally adopt the prescription of particular control. However, in the absence of the existing in-vehicle camera and panic alarm system, it would need to reconsider if approved transport operators were taking all reasonable steps to eliminate or minimise risks.
76. When the existing in-vehicle recording camera system was implemented, further provisions were established to require a telecommunications system within vehicles. The telecommunications system provides for an emergency alert (panic alarm) and response facility to be provided, notification to the NZ Police, and for establishing two-way communication with the driver.
77. The panic alarm requirements align well with the existing requirements for a taxi service to operate from a fixed location with 24/7 service. However, in the future, we expect the sector to be much more diverse. We are proposing to remove the requirements about how and from where an approved transport operator must work. In line with our views of how the future sector will operate, retaining panic alarms is not a provision that we consider necessary to retain under the future regulatory system.
78. We consider that our proposals to address driver and passenger safety, as well as the specific system for in-vehicle recording cameras, will be sufficient to manage safety. This approach does not restrict operators from making their own business decisions to implement panic alarm systems.

Comment from the Office of the Privacy Commissioner

79. The privacy risks associated with the use of in-vehicle video recorders by urban taxis have been well managed under the current system. If the system is extended as proposed to apply to all small passenger services, the Office of the Privacy Commissioner (OPC) supports the proposal that regulators develop rules that would govern the provision for exemptions to the requirement.
80. The proposed approach would provide opportunities for operators to use alternative technologies to address safety concerns. This would potentially raise new privacy risks. Both operators and drivers would need to ensure any alternative methods used to collect personal information (including visual images of passengers) were not unreasonably intrusive and that reasonable security safeguards to protect against loss or inappropriate access, use, modification or disclosure of personal information are in place.
81. The paper notes that organisations will be expected to consider how they might operate in line with the Privacy Act 1993 and that in developing its processes, the NZ Transport Agency would work with the OPC to ensure a smooth assessment process.
82. The OPC supports the approach proposed whereby the procedures governing in-vehicle recording (and exemptions) would continue to be formalised under Land Transport Rules. The revised procedures should require that the NZ Transport Agency consult with the Privacy Commissioner during the development of those rules, and whenever they are reviewed or subsequently amended. The rule should also acknowledge explicitly that nothing in the exemptions process should limit the application of the Privacy Act 1993, but applications for exemptions should set out how the information privacy principles will be complied with.

Removing restrictions on how drivers and passengers connect

83. The current system prescribes how taxis and private hire operators are able to connect with customers. Taxis are permitted to collect passengers through bookings, or being hailed on the street (via either waiting for passengers at a taxi rank, or driving around waiting to be hailed). Private hire operators are prohibited from being on the road for the purpose of accepting a casual hire and are only permitted to accept passengers through pre-bookings and on an agreed fare basis.
84. Under the system of a single class of small passenger service, we propose to remove the regulatory distinctions on how operators connect with passengers. All approved transport operators would be able to take pre-bookings, rank hire, or street hail. This would mean the rules would be silent on how all passenger service operators may choose to connect drivers with passengers.

85. We expect there will still be niche markets within the sector (particularly for the one-off type service such as a wedding car). The overall effect of removing these restrictions will offer passengers an increased level of choice over their preferred service provider, while maintaining passenger safety. We also expect that increased competition will lift the incentives for passenger service operators to improve customer service levels.

Consumer protection, pricing, and fares under a single class of operator

86. The future system needs to ensure the sector is able to manage consumer protection issues. The development and increasing use of apps are providing passengers with improved access to a range of information on passenger service choices available to them (for example, the basis of the fare, estimated trip cost, driver information, route tracking, and cashless transactions).

87. We propose that all passenger services should retain the existing requirements (that currently apply to taxi services) to:

87.1. accept the first hire offered when a vehicle is available for hire (subject to the power for a driver to refuse to accept some passengers where they consider that their personal safety may be at risk or where there is an expectation that there will be other hirers to defer the hire such as an airport shuttle)

87.2. unless requested or agreed otherwise by the hirer, to take a route that is most advantageous to the hirer.

88. To help manage any disagreement between drivers and passengers, we propose that the future regulatory system include a duty for the passenger service driver to agree the basis of the fare with the passenger prior to the commencement of the trip. This could be by agreement at the start of the trip or at the time of booking and would operate according to existing consumer protection and contract law.

89. Under this arrangement, the NZ Transport Agency would no longer be required to investigate and take action in response to fare-related disputes between passengers and companies. Disputes would be addressed by existing mechanisms provided in the Consumer Guarantees Act 1993, the Fair Trading Act 1986, and contract law.

90. Small passenger services transactions are generally low in value, and part of the sector already operates on an agreed fare basis. In addition, consumers are still able to raise any issue with the operator directly, or utilise feedback through social media or consumer protection forums. On balance, we do not consider there are sufficient grounds to justify further regulation in this area.

91. We propose to remove the existing requirements in relation to fares and charging. These requirements relate to the operation of taxis on ranks, the registration of (and any changes to) fares with the NZ Transport Agency, requirements to display fare signage in a vehicle, meter requirements and restrictions.

92. We also propose to remove restrictions on carpooling being based on a cost-recovery basis only. Carpooling will remain unregulated, but based on a more specific definition.
93. Removing the mandated signage for taxis decreases the ability for regulators and vulnerable passengers to distinguish between what is a legitimate taxi service and what is an unregulated vehicle.
94. There are alternatives to manage this risk, such as the provision of information (to encourage consumers to choose brands they trust, not to get into unmarked vehicles, and to ensure drivers have a visible P endorsement). Risk could further be managed by targeted enforcement at high risks times and the utilisation of CCTV footage and other information available to identify any issues. In this context, we do not consider mandating the existing signage requirements across the whole sector is likely to be an effective response to the risk.

Meeting the needs of people with disabilities

95. We expect that a sector that is competitive and responsive to demand will be best positioned to provide services for people with a range of needs. New Zealand is seeing operators responding to the demands of people with disabilities by building features into their apps that make it easier to book small passenger services that meets passengers' specific needs.⁷ However, the market is unlikely to provide a sufficient supply of services for people with disabilities and the Government has a role to intervene to address this issue.

The Total Mobility Scheme

96. Where the sector does not fully provide transport services for people with disabilities, the Government's Total Mobility Scheme is one intervention that assists in meeting the transport needs of people with disabilities. The Total Mobility Scheme provides subsidised taxi and private hire services to people who have an impairment that prevents them from undertaking components of a public transport journey unaccompanied, and in a safe and dignified manner. It also makes payment to the owners of wheelchair hoist vehicles for each Total Mobility Scheme member that requires the use of a wheelchair hoist on a trip.

⁷ The New Zealand company Cabchooze's app enables passengers to order a wheelchair capable vehicle. While not available in New Zealand currently, Uber provides services where passengers can request drivers and vehicles that are knowledgeable of accessibility needs and are accommodating of passengers who require wheelchair accessible vehicles with a ramp or hydraulic lift. Uber also offers services tailored for senior and disabled communities where drivers are specifically trained to assist passengers into the vehicles and can accommodate folding wheelchairs, walkers, and scooters.

97. The Government's contribution to the Total Mobility Scheme is from the National Land Transport Fund (NLTF), and councils, through the public transport activity class. The level of funding provided for the Total Mobility Scheme is a matter that the Government and the funding agencies can, and should, review over time.
98. Under the proposed system, the changes to the small passenger services market are uncertain. As a result, the impact on the users and funders of the Total Mobility Scheme could vary. To manage this uncertainty, we are also proposing a monitoring system that will take into account (along with other measures as set out below), changes to services subsidised by the Total Mobility Scheme.

Ongoing monitoring services for disabled people

99. We want to be sure that under the future system, we continue to provide a regulatory system that supports the provision of services to meet the needs of people with disabilities. We are proposing two initiatives to ensure that we have the necessary information to identify and respond to any negative impacts.
- 99.1. Transport officials will meet with organisations representing users with disabilities that use small passenger services directly, to better understand the current level of services provided. This will also help to identify what the potential impact may be on specific users of services.
- 99.2. During the transition to the proposed regulatory system, transport officials will work with the NZ Transport Agency and local government to monitor trends and feedback from the sector to identify any change in service levels (including any impact on services involved in the Total Mobility Scheme).
100. Officials have been asked to report back to the Associate Minister of Transport on the progress of these initiatives in 2016.

Braille signage

101. We propose to remove regulation related to signage across the sector and this includes Braille signage. The Rule currently requires that a taxi must have Braille signage that provides the name of the approved taxi organisation, the unique fleet number assigned to the taxi, and the approved taxi organisation's telephone number for complaints.
102. The requirement for taxis to provide information in Braille imposes a cost on taxi operators. There are approximately 12,000 people in New Zealand who are blind or have low vision.
103. In the proposed single class system, continuing the mandated requirements for Braille signage would mean all vehicles would be subject to it. This has practical implications

where vehicles involved in offering ridesharing services are not full-time passenger services, or in the case of wedding cars, the signage is likely to offer limited benefit.

104. We recognise that without the mandated requirement, many operators may choose not to have signs in Braille. However, changes are also occurring in the way people engage and use services. For blind passengers (and all passengers), pre-booking a trip by phone or through an app makes it safer as more information about the driver, company, time and details of the trip, are obtained. In addition, technology allows other mechanisms for customers to capture the information that is currently provided through Braille signage. For example, using a smartphone app that exchanges information with the passenger and the driver could offer immediate audio information as well as collecting and retaining information for future reference.
105. To address the concerns raised by some stakeholders about the removal of Braille signage, there is the opportunity for these signs to be a condition of the Total Mobility Scheme⁸. In this way all Total Mobility users would have Braille accessible transport.

Ensuring that regulatory compliance is achieved

106. While many of the proposals are to reduce the regulatory burden, a small number of key regulatory requirements remain, and compliance with these will be critical if passengers are to have confidence in the small passenger service system.
107. To ensure that regulatory compliance is undertaken efficiently, the right incentives need to be allocated to the right participants in the system. A high level of regulatory compliance is needed across the entire small passenger service sector – taxis, private hire, ridesharing, and carpooling. The diagram in Appendix B sets out how regulatory compliance will be managed under the proposed system.
108. We propose to retain the existing offences and penalties system to align with the requirements that will be part of the future system. For example, the existing penalties for operating a taxi service without operating as part of an ‘approved taxi operator’, would in the future system apply to operating a passenger service without being part of an ‘approved transport operator’.

Approved transport operator – key driver for regulatory compliance

109. We propose that an approved transport operator (a provider of taxi, private hire, shuttle, dial-a-driver, ridesharing services; or a transport network company that

⁸ For a small passenger service operator to access the Total Mobility Scheme, they must have a contract with the particular region that they are operating in. These contracts include a variety of conditions, including provision of wheelchair hoist vehicles.

operates in the market in a manner similar to other passenger service operators) would be responsible for ensuring and maintaining evidential records that all of its:

- 109.1. drivers have a P endorsement – that they are a fit and proper person to drive passengers (and that they display an identification card)
 - 109.2. drivers only work within their legal work time limits
 - 109.3. vehicles have a CoF (this would not apply to dial-a-driver services)
 - 109.4. vehicles have an in-vehicle recording camera, or an exemption.
110. In addition to the above regulatory responsibilities, and those identified throughout this paper, an approved transport operator will have its own business interest in complying with those matters. Any level of non-compliance will diminish its reputation with the public and potentially reduce future revenues.

Drivers

111. For the future, a driver can only drive for an approved transport operator (they could be an owner/driver, in which case they would themselves have to be an approved transport operator). A driver would have an individual responsibility for ensuring they:
- 111.1. hold a current P endorsement (and display the associated identification card)
 - 111.2. comply with their work time requirements
 - 111.3. any vehicle that they drive has a valid CoF (the CoF requirement would not apply to dial-a-driver services)
 - 111.4. operate using either an in-vehicle recording camera or an exemption from the requirement.

The future role of the NZ Transport Agency – the primary regulator

112. We propose that the NZ Transport Agency continues to be able to undertake audits, or other investigations, to satisfy itself that an approved transport operator (and any parties connected with it, including drivers) complies with all relevant regulatory obligations.
113. Where the NZ Transport Agency is not satisfied that an approved transport operator complies with all relevant regulatory obligations, it should have the power to require compliance, or to suspend or revoke a person or operator's authority to operate. As the primary regulatory organisation for the small passenger service sector, the NZ Transport Agency needs to have sufficient oversight of the sector and its operation.
114. The future regulatory system will require changes in the way the NZ Transport Agency carries out its regulatory role on a day-to-day basis. The proposed system removes

many regulatory obligations on sector participants and enables the NZ Transport Agency to focus its resources through approved transport operators on the core safety requirements of P endorsement, work-time, and CoF.

115. Reducing the regulatory barriers to entry (where licensing of approved transport operators will be based on fit and proper assessments only) will mean the NZ Transport Agency's effort will need to be focused on enforcement (such as suspension and revocation).
116. The focus on enforcement may be less cost effective for the NZ Transport Agency to undertake (as opposed to the focus on entry control under the existing system). However, on balance, we consider the benefits of lower entry barriers outweigh this concern.

The role of the NZ Police

117. The NZ Police currently undertake limited regulatory activity for the taxi sector. This is generally as a part of wider public safety initiatives, for example, prior to New Zealand's hosting of the Rugby World Cup in 2011, NZ Police assisted with undertaking compliance audits on taxis. Any activity undertaken by NZ Police is done in support of the NZ Transport Agency as the primary regulator.
118. NZ Police apply a risk-based approach in targeting resources and will continue to do the same for the future system. It advises that undertaking regulatory activity for the small passenger services sector is not likely to be a priority against other demands.

Removing unnecessary regulation from the existing system

119. We are proposing a system that will provide the fundamental provisions necessary for the sector to operate safely and to ensure flexibility for existing and future passenger services.
120. We propose to remove the existing requirements that add compliance costs and do not contribute to the system achieving the outcomes the Government is looking for in the future. These requirements are: signage requirements; Area Knowledge Certificate; that a driver has passed a full licence test in the last five years; the English Language Requirement; access to small passenger services on a 24/7 basis; Certificate of Knowledge of Law and Practice; the specific requirements about what the NZ Transport Agency must be satisfied of before granting an application to approved operators; and the Passenger Service Licence.

Departmental consultation

121. The following departments were consulted on the development of this paper: The Commerce Commission, Department of Internal Affairs, Local Government New Zealand, Ministry of Education, Ministry of Business, Innovation and Employment, Ministry of Justice, New Zealand Police, the New Zealand Transport Agency, Office for Disability Issues, Office of the Privacy Commissioner, The Treasury, and WorkSafe New Zealand.
122. The Department of the Prime Minister and Cabinet has been informed.

Stakeholder engagement

123. As part of the review process, the Ministry held two sets of meetings with a range of sector stakeholders in the first half of 2015. These included taxi, private hire and shuttle operators, technology companies, and passenger representative groups. The purpose of the first set of meetings was to hear, from the sector's perspective, what the issues with the current system were, and what the key features for the future system might be. The second set of meetings was used as a means to test the review's thinking and receive feedback.

Public consultation

124. The future of small passenger services consultation paper was released for public consultation on 14 December 2015 outlining the five proposed options to reform the sector. Public consultation took place over nine weeks, closing on 12 February 2016.
125. Seventy-five submissions were received on the future of the small passenger services consultation paper.
126. Submitters were asked about their views on the review's objectives and whether they supported the review's preferred option, or one of the four other options the review had considered. They were then asked their views on proposed changes to current operator or driver licensing rules or requirements arising from the regulatory system proposed by Option 4. Each question asked provided an opportunity for general comment.
127. A full list of submitters is included at Appendix C.

Stakeholder views

Uber – alternative regulatory model: Modified status quo with new rideshare provisions added-on

128. Uber does not support any of the consultation paper's five options. It proposes its own three-class system – taxis, hire cars, and rideshare – with different rules and

requirements for each. This is based on risk to passengers and drivers. Uber considers this the only means of supporting ridesharing.

129. Taxis would be the only service allowed to collect passengers from ranks or casual street hail and would operate under the same set of rules as present.
130. Rideshare would only be allowed where both the driver and passenger were registered on and connected through Uber's platform (via a smartphone app). In Uber's view this has the lowest risk level, as both parties details are available to each other, they are able to see previous ratings of each other, and the fare is cashless and GPS-tracked. As a result, this class would have the lowest level of rules. A driver would be checked by Uber, or an approved other party, using the person's conviction history. The rideshare vehicle would only require a warrant of fitness.

Ministry's comment

131. We consider Uber's proposal continues the same hierarchical system that is currently in place. Its description of risk to passengers and drivers, and required regulatory responses, are too broad. We are also concerned that the three-class system would require Government intervention every time a new class entered the sector, to establish the type of service under which they would be operating. The review's aim was to create a system that allows change to happen – new entities would be able enter the sector, and operate with minimal compliance burden. We are also looking for a dynamic and flexible sector. Constraining the type of services by separate classes, as in Uber's proposal, would limit the flexibility of the regulatory system to accommodate new services in the future. For these reasons Uber's proposal is not supported by officials.
132. Uber claimed its driver check system would take six days and cost \$20. By way of comparison Uber states that obtaining a P endorsement (which is the current model) costs around \$2000 and takes around 56 days. The media has reported these figures, however these figures are misleading. Obtaining a P endorsement costs between \$620 to \$960, and can now be obtained within 20 working days of application. It will take longer if the fit and proper check shows some adverse information which must be further investigated. In addition, the cost and time taken also varies depending on the costs charged by and availability of approved course providers and medical professionals.
133. The review team examined Uber's proposal for only a Ministry of Justice criminal conviction check on drivers, rather than the more thorough current model of a fit and proper person check which we propose be continued. The current model check, includes a criminal conviction check by NZ Police, whether an applicant has any charges pending, and any other information recorded by NZ Police. It also includes any other relevant matters which the NZ Transport Agency considers relevant (for

example, serious behavioural issues). Officials have compared Uber's proposed check with the current model and others, and have concluded that the current model is the best way of ensuring the safety of the travelling public of New Zealand.

134. The points of distinction are further explained by the table in Appendix D.

NZ Taxi Federation – conditional support for preferred option, but leave P endorsement largely unchanged

135. The NZ Taxi Federation (NZTF) is critical of the consultation paper, claiming a lack of evidence to support many of the proposals. It accepts option 4, but considers passenger service licences (PSL) should be retained. The NZTF is concerned that this will remove a level of accountability and present the NZ Transport Agency, as regulator, with too many drivers to adequately manage without substantial resource increases. Under the NZTF's proposal a PSL holder would operate through an approved transport operator. This would place the responsibility for compliance with the retained provisions⁹ at the highest possible level and assist the NZ Transport Agency with its auditing role. Drivers would also be prohibited from working for more than one approved transport operator.

136. The NZTF strongly supports the retention of in-vehicle recording cameras, which it considers have been very valuable in improving driver and passenger safety. It does not support the exemption provision provided from cameras for Uber-type ridesharing, and would be concerned if there were any other concessions from this requirement. The NZTF has concerns that new technology could lead to approved transport operators being based off-shore and questions how proper regulatory oversight of these operators could occur.

Ministry's comment

137. We do not recommend retaining the PSL as it is an unjustified cost. Most of the safety learning required for a PSL relates to knowledge of rules. This knowledge will no longer be needed as our proposed system dispenses with these rules.

138. In regard to offshore-based operators, this issue has not previously arisen in transport licensing regulation. In response to this, we propose to require, as part of the approval process, that an approved transport operator has an acceptable New Zealand presence – either a New Zealand-registered company or legal entity, is resident in New Zealand, or if an offshore resident has a suitable New Zealand resident representative.

⁹ P endorsements, CoF, work time, and serious complaint reporting.

139. The NZ Transport Agency will continue to have an auditing role. While there may be more operators to audit than at present, the matters that need to be audited against will be much fewer than at present.

Bus and Coach Association

140. The Bus and Coach Association (BCA) has 92 members who operate around 800 small passenger services alongside buses or coaches – usually in small-scale, four operations, or carrying special needs students as part of longer-term Ministry of Education school transport contracts.
141. The BCA is not opposed to options 1 or 2, but does not support the preferred option 4, nor option 3, as these would create a regulatory system inconsistent with the operation of its members' small passenger services. It is strongly opposed to option 5 as this would apply all taxi requirements (and costs) to services provided by its members.
142. BCA requests that any transitional legal provisions covering the creation of approved transport operator status recognises that BCA members would continue to need to hold a PSL to legally operate their large passenger services. In addition, new entrants in this situation should only be required to hold either a PSL or an approved transport operator status. This would reduce compliance costs.
143. The BCA opposes the in-vehicle recording camera requirement on extra compliance costs grounds.
144. The BCA is also opposed to the proposal to standardise the maximum driver work period before a 30 minute break is taken, at seven hours. This would create inconsistencies with BCA members' bus and coach drivers who are subject to a 5.5 hour work time period before the 30 minute break is taken.

Ministry's comment

145. Officials do not intend that there should be regulatory double-up on approved transport operators and PSLs. Accordingly, officials will address this as part of any transitional arrangements.
146. Taxi companies currently successfully manage shuttle and taxi drivers who have differing work time requirements, so officials see no need to change the work time periods. We do not consider any change in this requirement is needed – 7 hours is the current time period for taxis and reducing it to 5.5 hours could be a significant reduction.

Councils & Local Government New Zealand/Groups interested in disability issues – removal of Braille signage, English language and area knowledge

147. Eleven regional and city councils, Local Government New Zealand, and 15 respondents with interests in disability issues submitted on this particular proposal. These 27 submitters had similar general concerns with the proposals, in particular, the removal of mandated signage, particularly Braille signage, area knowledge, and English language requirements.
148. Respondents were concerned that removal of mandated signage would disadvantage users with disabilities. This applies particularly to the removal of mandated Braille signage. In the proposed single class system, continuing the mandated requirements for Braille signage would mean all vehicles would be subject to it. This has practical implications where vehicles involved in offering ridesharing services are not full-time passenger services, or in the case of wedding cars, the signage is likely to offer limited benefit.
149. Another issue raised is how to identify small passenger services if they do not have signage. While taxi top lights will no longer be mandated, it is likely that drivers/operators will continue to use such signage.

Ministry's comment

150. We recognise that without the mandated requirement, many operators may choose not to have signs in Braille. However, changes are also occurring in the way people engage and use services. Passengers are able to pre-book a trip by phone or through an app, which provides information about the driver, company, time and details of the trip. In addition, technology allows other mechanisms for customers to capture the information that is currently provided through Braille signage. For example, using a smartphone app that exchanges information with the passenger and the driver could offer immediate audio information, as well as collecting and retaining information for future reference.
151. An option could be to have a requirement for Braille signage as part of an operator's contract to access the Total Mobility Scheme. It is acknowledged that this is a not a complete solution as some areas do not participate in the Total Mobility Scheme and not all individuals with a disability use the Scheme.
152. Officials consider there is no need to change the signage proposals. Government has directed officials to monitor and report back on changes to the level of services for disabled users after the new regulatory model is in place. Information-gathering to benchmark current service levels for this purpose has commenced.
153. Officials consider an operator seeking to continue with rank or hail services will have a clear business interest to clearly mark their vehicles, including displaying signage.

Otherwise prospective passengers seeking casual hail or rank hires would be unable to identify that the vehicle is available for hire.

Chariot – a business model at risk as it will be designated ridesharing rather than carpooling as at present

- 154. *Chariot* is a carpooling app-based service. Chariot acts as a facilitator and manages the collection and distribution of money to cover cost-sharing, taking a fee for this. Currently this is an exempt service.
- 155. The main issue raised by Chariot is over the proposed definition of the carpooling exemption. Chariot is directly affected by this definition, as it does not fall under it and it would therefore be regulated under proposed Option 4. This directly impacts its business model and will not allow them to operate under it without added cost. Chariot makes the argument that, within the carpooling exemption, commercial operators and councils are being separated arbitrarily despite providing the same services. The review team differentiates this, however, based on whether revenue is being received. If there is (as in Chariot's case) then the exemption does not apply.

156. [REDACTED]

Other issues raised by submitters including recommendations to change aspects of the system

Withheld under section 9(2)(f)(iv) of the Official Information Act 1982.

Mandated in-vehicle cameras

- 157. There is good support for the policy of mandated in-vehicle cameras, with provision for the NZ Transport Agency to issue an exemption from this when an operation is providing an equivalent level of record as a camera.
- 158. Currently cameras are only required for taxis operating in 18 large towns or cities specified in the Operator Licensing Rule. Existing private hire operators and operators in smaller centres (for example, Levin, Picton or Oamaru) are not currently required to have cameras. It would be inconsistent extending cameras to locations that are currently exempt based on earlier risk assessments, which we understand are highly unlikely to have changed. To address this we propose that this policy be amended so that mandated in-vehicle cameras would only apply to vehicles operating in areas currently required to have in-vehicle cameras. We would propose to use the same descriptions for these areas as are currently contained in the Operator Licensing Rule. The proposed exemption provisions would remain unchanged and would only need to be applied to a qualifying service operating within one of the areas identified.

159.

[REDACTED]

Withheld under section 9(2)(f)(iv) of the Official Information Act 1982.

Driver's duty to accept first hire

160. A number of submitters suggested that the above duty (which is currently in the Operator Licensing Rule and applies only to taxi drivers) needs a slight amendment to be able to operate effectively. This provision needs to recognise services carrying multiple hirers, such as shuttles or UberPool¹⁰. In these cases, the driver will wait after the first hirer is accepted until more hirers have been accepted. In this case, the first hirer understands that there will be other passengers who they need to wait for, and in so doing they will all have a cheaper fare. The current wording of this policy suggests this may not be permitted. We proposed that the policy be clarified so that in these circumstances the driver does not have to take the first hire.

Fare accuracy

161. The review is proposing that a fare, or the basis of a fare, should be negotiated between the driver and passenger before the journey commences. The Ministry of Business, Innovation and Employment (MBIE) submitted that, in the interests of consumer protection, where a driver chooses to calculate that fare using distance travelled and/or time taken, then the recording device (either a meter, the vehicle's odometer, or an app) should be accurate. MBIE suggests this could be achieved by specifying standards the device should be certified to.

162. Officials consider this is a reasonable step. Consumer law would automatically apply here.

¹⁰ UberPool is a service that Uber runs in some American cities where riders can travel at a discounted rate with the possibility of sharing the ride with other passengers.

Legislative implications

163. The Land Transport Act 1998 will need to be amended to give effect to the proposed changes in this paper, as will Land Transport Rule: Operator Licensing 2007, Land Transport Rule: Work Time and Log Books 2007, Transport Services Licenses Regulations 1989 and the Land Transport (Offences and Penalties) Regulations 1999. Consequential amendments may also be required to other Transport Rules to give effect to the proposals in this paper.
164. [REDACTED]
[REDACTED] There will be an opportunity for additional public input at the select committee stage for the legislative amendments necessary to implement the proposed future system.
165. We propose that amendments to give effect to the proposed future system for small passenger services will be one part of the amendments implemented through the Land Transport Amendment Bill.
166. In addition to the proposed changes to the Act, implementing the policy proposals in this paper will require significant policy changes to Land Transport Rules. These changes require specific public consultation to be undertaken on the draft amendments. [REDACTED]
[REDACTED]
[REDACTED]
167. This paper recommends that Cabinet invite the Minister of Transport and Associate Minister of Transport (under the delegated transport portfolio responsibilities) to issue drafting instructions to give effect to the recommendations in this paper. We are also seeking authorisation for the Minister of Transport and the Associate Minister of Transport to make decisions, consistent with the overall policy decisions in this paper, on any issues that arise during the course of drafting.
168. To give effect to these policy decisions there will need to be amendments to the Act, specifically but not limited to Parts 4A, 4B and 6A, and to the rule empowering provisions in section 158. Other policy decisions will be actioned through amendments to Land Transport Rules, the Offences and Penalties Regulations, and the Transport Services Licensing Regulations for fees.

Regulatory impact analysis

169. The Regulatory Impact Analysis (RIA) requirements apply to the proposal in this paper and a Regulatory Impact Statement (RIS) has been prepared and is attached.
170. The Regulatory Impact Analysis Team (RIAT) at the Treasury has reviewed the RIS prepared by the Ministry of Transport and associated supporting material, and

considers that the information and analysis summarised in the RIS *partially meets* the quality assurance criteria.

171. The RIS establishes that the existing regulatory framework in the small passenger services industry is outdated and stifles innovation. However the RIS does not identify the underlying problems the current regulations were introduced to address.
172. The RIS does not explain what the feasible options are in detail or analyse their costs and benefits. Therefore it is unclear whether the preferred option is the option that provides the highest net benefit. RIAT notes that the preferred option is likely to have a net benefit.
173. The RIS proposes that transport operators can seek an exemption from the in-vehicle camera requirement, though it is not clear how the exemption process will work or how onerous the process will be in practice.

Transitional arrangements

174. Once the future regulatory proposals are agreed, transport officials will develop an implementation plan. The detail of the implementation plan will be developed as part of a separate, but closely related process to the drafting of amendments to the Land Transport Act and Transport Rules.
175. The implementation plan will take into account the process to transition operators from the existing system to the future system, and introducing operators that are currently outside the system.

Disability perspective

176. This paper proposes to remove mandates for Braille signage for existing taxi services and to retain the existing system to provide subsidised services for people with disabilities.
177. The Ministry of Transport will work with the NZ Transport Agency, the Office for Disability Issues, and disability organisations to monitor and respond to any change in the level of services for people with disabilities, should it be necessary.

Financial implications

178. Once there is certainty on the future system (to be obtained through the decisions we are seeking today and the drafting of legislative changes) transport officials will work to identify changes to fees and charges regulations that may be needed to ensure they align with the changes to the NZ Transport Agency regulatory role.

Gender and human rights implications

179. There are no gender or human rights implications or decisions arising from the proposals in this paper.

Privacy implications

180. The privacy implications associated with the proposals in this paper are set out in the section 'Applying in-vehicle recording cameras to the future single class' and includes a statement provided by the Office of the Privacy Commissioner.

Publicity

181. Should the EGI agree to the proposals in this paper, we intend to issue a media statement in the first weeks of April 2016 to announce the intended future regulatory system for the small passenger services sector. We also intend to issue a media statement when the Land Transport Amendment Bill is introduced.
182. The sector has been engaged with the Ministry of Transport throughout the process of the review and is fully aware that Government is considering what the best approach for the future may be.
183. A communications plan is under development by the Ministry of Transport to assist with this announcement and it will make supporting information available on its website to ensure the public is aware of the changes and the reasons for them.
184. We intend that this paper, the Ministry of Transport's regulatory impact statement, and all public submissions be publicly released on the Ministry of Transport's website once the announcement has been made.

Recommendations

185. The Minister of Transport and the Associate Minister of Transport recommend that the Committee:

1. **note** that the proposals in this paper are on the basis of a review of the small passenger services sector undertaken by the Ministry of Transport in 2015
2. **agree** the preferred regulatory reform approach for the future of the small passenger service system is Option 4 of the following:
 - Option 1 – retain the status quo
 - Option 2 – modify the status quo
 - Option 3 – reduce regulatory burden for a single class, with individual driver focus
 - Option 4 – reduce regulatory burden for a single class of approved transport operator
 - Option 5 – a single class of approved transport operator that meet taxi standards
3. **agree** that the future small passenger services sector will remove the regulatory distinctions between the types of services and establish a single class of 'small passenger service' which will include taxis, private hires, shuttles, and other small passenger services
4. **agree** that a 'small passenger service' also include ridesharing services, and transport network companies that operate in the market in a manner similar to other passenger service operators
5. **agree** that a 'small passenger service' may only be operated by an approved transport operator, approved by the New Zealand Transport Agency
6. **note** that the definition of 'small passenger service' will not apply:
 - (a) where two or more people who have a pre-existing knowledge of each other (for example, they may be colleagues or neighbours) and may share the cost of the trip
 - (b) where a driver and passenger (who may not know each other) are travelling to similar destinations at similar times and use a third party to connect them. The driver and passenger have a cost-sharing arrangement and the third party does not receive any revenue for facilitating the carpooling trip
 - (c) to a company (for example, a call centre company) that provides a back office communications function through which it supports a completely unrelated passenger service company

To ensure passenger safety

7. **agree** that the future system for small passenger services include:
 - (a) a fit and proper person test for all drivers
 - (b) that a driver must have held for at least two years a New Zealand full licence (of a class other than Class six)
 - (c) driver work time requirements – similar to current requirements
 - (d) a Certificate of Fitness requirement (renewed every six months)
 - (e) that an approved transport operator be required to both notify the NZ Transport Agency of any complaints received alleging serious improper behaviour by drivers, and assist the NZ Transport Agency or the NZ Police when they undertake any regulatory or compliance activity related to that approved transport operator's small passenger service
8. **note** that we expect standard P endorsement applications to be completed within a maximum of 20 working days. The NZ Transport Agency advises that the average processing time is now 18 days
9. **direct** the Ministry of Transport, with input from the NZ Transport Agency and Police, to report to the Minister of Transport on how the 20 working days can be further reduced
10. **note** that we intend to express our positions on the service delivery of the P endorsement assessment in the future through the Minister of Transport's annual letter of expectations to the Chair of the NZ Transport Agency

Ensuring driver safety

11. **agree** that the future system for small passenger services include:
 - (a) powers for passenger service drivers to refuse to accept some passengers – where a driver considers that their personal safety could be compromised
12. **agree** that the future system for small passenger services no longer include the mandatory panic alarms for taxi operators as set out in the existing Operator Licensing Rule (but will not be prohibited under the future system)
13. **agree** the preferred approach for the future of in-vehicle recording cameras is Option 4 – *Mandating in-vehicle recording cameras with exemption provision of the following:*
 - Option 1 – *Mandating in-vehicle recording cameras*
 - Option 2 – *Obtaining a visual record*
 - Option 3 – *Operator business decisions*

- Option 4 – *Mandating in-vehicle recording cameras with exemption provision*
14. **agree** that to give effect to Option 4 – *Mandating in-vehicle recording cameras with exemption provision*, the future system for small passenger services will include, if an ATO operates in any of the 18 specified urban areas¹¹:
- (a) an approved in-vehicle camera, or
 - (b) satisfy the agency that its business model¹² is able to sufficiently capture the following information:
 - i. that services are provided to registered passengers only, and
 - ii. there is both driver and passenger information available (for example, names and photographs of both driver and passenger), and
 - iii. availability of driver and passenger information before the each trip, and
 - iv. there is a record of each trip (for example, GPS records)
 - (c) comply with any other criteria that the Ministers decide on to remove limousine or shuttle services from the need to have in-vehicle recording cameras
15. **agree** that the Minister of Transport and the Associate Minister of Transport may make further changes to the criteria to ensure the exemptions system has the lowest reasonable compliance costs, is flexible, enables technology, and manages driver and passenger safety, or to remove limousine or shuttle services from the need to have in-vehicle recording cameras

Consumer protection, pricing, and fares under a single class of operator

16. **agree** that the future system for small passenger services include a duty for a passenger service driver:
- (a) to accept the first hire, except in certain circumstances relating to driver safety or where there is an expectation that other hirers will be carried
 - (b) to take a route that is most advantageous to the hirer (unless agreed otherwise)
 - (c) to agree the basis of the fare with the passenger prior to the commencement of the trip

¹¹ Specified areas as found in schedule 5 of the Land Transport Rule: Operator Licensing Rule 2007

¹² The ATO will be responsible for ensuring that the collection and storage of any personal information complies with the Information Privacy Principles as found in the Privacy Act 1993.

17. **note** that the future system for small passenger services no longer include a requirement:
- (a) for a taxi driver on a rank to accept the first hire offered
 - (b) for taxi and shuttle operators to register fares with the NZ Transport Agency
 - (c) for a taxi to display its registered fare information on the outside and inside of the vehicle
 - (d) for a taxi to use a meter to calculate a fare and not charge more than the meter in relation to the operation and maintenance of meters that are used to determine the fare for a trip (taxi fares may be based on either a meter or fixed fare)
 - (e) for shuttle operators to notify the NZ Transport Agency of their fare schedules and keep it notified of any changes
 - (f) that private hire operators are prohibited from using a meter, and are required to agree the fare with the hirer before the commencement of a trip (private hire operators are not required to register their fares with the NZ Transport Agency)
 - (g) restrictions on carpooling arrangements to be based on a cost-recovery basis only (carpooling will remain unregulated based on a more specific definition)

Meeting the needs of people with disabilities

18. **note** the Total Mobility Scheme remains the appropriate mechanism for the Government to assist in meeting the needs of people with particular requirements and that the level of funding provided for the scheme is a matter that the Government and the funding agencies can, and should, review over time
19. **note** we have asked transport officials report back to us in 2016 on initiatives to better understand the existing levels of services provided for people with disabilities to be in a position to identify and respond to any impacts resulting from the wider changes to the market
20. **agree** that the future system for small passenger services no longer include a requirement to provide information in Braille

Ensuring regulatory compliance is achieved

21. **agree** that an approved transport operator would be responsible for ensuring, and maintaining evidential records, that:
- (a) drivers hold current P endorsements (and holds a driver identification card)

- (b) drivers comply with work time requirements
- (c) all vehicles have a current Certificate of Fitness
- (d) all vehicles have approved in-vehicle cameras, or an exemption (unless they operate outside areas requiring this)
- (e) NZ Transport Agency is advised of any serious improper behaviour by drivers, for example, serious behaviour and offences include murder, attempted murder, sexual offences, abduction, kidnapping, robbery, and intent to cause bodily harm by injury
- (f) assistance is provided to the NZ Transport Agency or NZ Police with an audit or any investigation.
22. **note** that in addition to the specified regulatory responsibilities, an approved transport operator will have its own business interest in complying with those matters and that any level of non-compliance will diminish its reputation with the public and potentially reduce future revenues
23. **agree** that the future system for small passenger services in relation to drivers include:
- (a) that a driver could only drive for an approved transport operator (they could be an owner/driver, in which case they would themselves have to be an approved transport operator)
- (b) that a driver would have an individual responsibility for ensuring they held a current P endorsement and identification card
- (c) that a driver would have an individual responsibility for ensuring they worked within their work time limits (including when they worked for more than one approved transport operator)
- (d) that a driver would have an individual responsibility for ensuring any vehicle that they drive has a valid Certificate of Fitness (the Certificate of Fitness requirement would not apply to dial-a-driver services).
24. **agree** that the future system for small passenger services in relation to the NZ Transport Agency include:
- (a) that the NZ Transport Agency will approve applications for new transport operators on the basis that the person(s) in control of it are fit and proper person(s)
- (b) that the NZ Transport Agency be able to undertake audits or other investigations to satisfy itself that an approved transport operator (and any parties connected with it, including drivers) comply with all relevant regulatory obligations
- (c) where the NZ Transport Agency is not satisfied, it should have the power to require compliance, or to suspend or revoke an approved transport operator's status and may disqualify an approved transport operator status for a period of up to 10 years

- (d) the authority to investigate complaints that relate to the non-compliance of an approved transport operator (or its drivers) with their regulatory responsibilities.
25. **agree** that the relevant existing offences and penalties system be retained under the future system and modified where necessary to support the proposed future regulatory system

Removing redundant requirements from the existing system

26. **note** that the redundant requirements we are proposing to remove are outdated regulations that impose compliance costs on the sector that are not longer justified
27. **note** that the NZ Transport Agency has a role in providing information to assist industry participants to understand their role and responsibilities and other organisations, such as the NZ Taxi Federation, could also have a role in providing information and support for their own members to understand their role and responsibilities within the small passenger system
28. **note** that the future system for small passenger services no longer include:
- (a) signage requirements applying to taxis
 - (b) the Area Knowledge Certificate requirement
 - (c) that a driver must have passed a full licence test in the last five years immediately preceding the date of application for an passenger endorsement to their licence
 - (d) that taxi drivers meet an English language requirement
 - (e) the Certificate of Knowledge of Law and Practice for the operator of an approved taxi organisation or a small passenger service
 - (f) the need for a taxi to belong to an approved taxi organisation, and all existing approved taxi organisation rules specified in the Operator Licensing Rule (operators would make business decisions on the quantity and timing of their service provision)
 - (g) the specific requirements about what the NZ Transport Agency must be satisfied of before granting an application to approved taxi organisations
 - (h) the Passenger Service Licence, insofar as they apply to a small passenger service

Legislative implications

29. [REDACTED]
[REDACTED]
[REDACTED]
30. **invite** the Minister of Transport and the Associate Minister of Transport to issue drafting instructions to give effect to the recommendations set out in this paper
31. **authorise** the Minister of Transport and the Associate Minister of Transport to make decisions, consistent with the overall policy decisions in this paper, on any issues which arise during the course of drafting
32. **note** that many changes will be actioned as amendments to land transport rules, [REDACTED]
[REDACTED]
[REDACTED]

Financial implications

33. **note** that further work will be undertaken to identify changes to fees and charges regulations that may be needed to ensure they align with the changes to the NZ Transport Agency regulatory role

Transitional arrangements

34. **agree** to the transitional legislative arrangements so that the holder of a current Passenger Service Licence operating small passenger service vehicles will be deemed to be an approved transport operator, and that their Passenger Service Licence will continue
35. **note** that work will need to be undertaken to ensure a smooth transition from the existing system into the future one and that this will need to provide for existing operators and those that will need to enter the regulatory system

Publicity

36. **note** we intend to issue a media statement on or immediately after Cabinet decides on this paper (expected to be early April 2016), to announce the intended future regulatory system for the small passenger services sector and this will be supported by the Ministry of Transport making information available on its website to ensure the public is aware of the changes and the reasons for them
37. **note** we intend to issue a media statement when the Land Transport Amendment Bill is introduced. We also intend that relevant documents including this paper and the Ministry's cost benefit analysis and regulatory impact statement be publicly released once the announcement has been made.

Hon Simon Bridges

Minister of Transport

Dated: _____

Hon Craig Foss

Associate Minister of Transport

Dated: _____

Appendix A — Future state objectives used as criteria to assess the options considered

The future state objective

An efficient system

38. The system is **responsive to supply and demand** – passenger service companies operate in a competitive market(s) that is responsive to both supply and demand signals (meeting customer needs).
39. The system imposes the **lowest level of compliance burden** to achieve the *regulatory objective* – the compliance burden on operators should be as low as possible, while ensuring there are appropriate requirements in place to meet any specified objectives.
40. There is **transparency over fees and charges** – passengers should have access to meaningful information about what the costs of the services are, enabling them to make informed service choices.

An effective system

41. The system provides **effective choice for people to move where they need to go in a timely manner** – the system should provide passengers with a range of service offerings (quality and price) to meet their expectations.

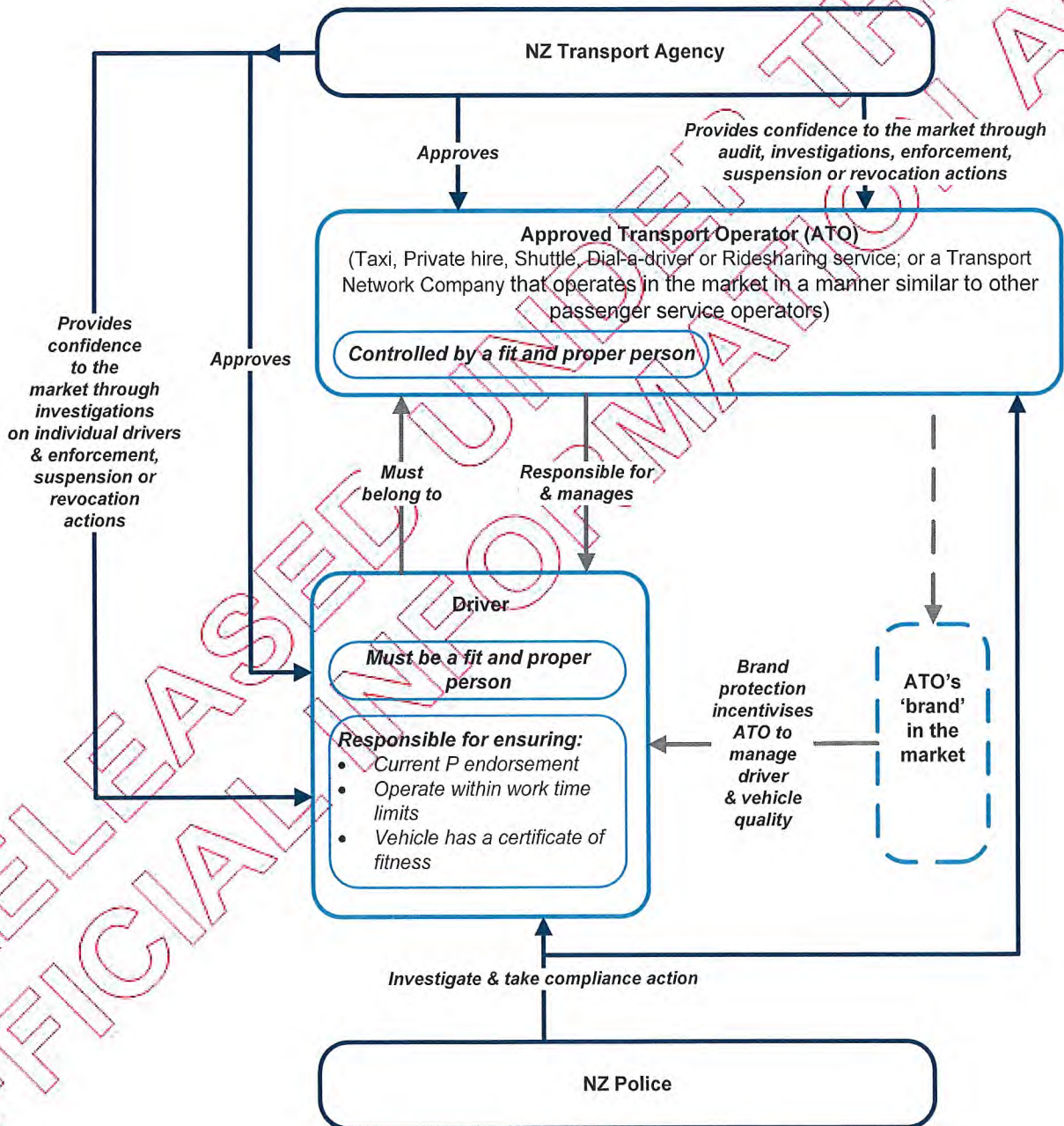
A resilient system

42. The system **incentivises the provision of improved customer services** – the regulatory system should act to incentivise innovation and improved customer service over time.

A safe and responsible system

43. The system **mitigates the safety risk for passengers, drivers, and from vehicles** – reducing passenger, driver, and vehicle safety risks is of fundamental concern to the small passenger service sector. Drivers and passengers need to have confidence that they can safely participate in the small passenger system.

Appendix B – Model for compliance across the sector



Appendix C – List of Submitters (R = online respondent, names noted where provided)

	Councils/LGNZ	Interested in disability issues	Taxi organisations/ drivers	Interested in emerging technology	Private hire/shuttle operators	Other
1	Auckland Transport	Don Mckenzie	New Zealand Taxi Federation	Chariot	Southern Lakes Limousines & Taxis	MBIE Consumer Protection Team, and Trading Standards
2	Northland Regional Council	Blind Foundation	Wellington Combined Taxis	IAG	Appellation Central Wine Tours	Tourism Industry Association New Zealand
3	Christchurch City Council	Office of the Ombudsman	Corporate Cabs	BECA	Sapphire Cars Ltd. et al	NZ AA
4	ECAN	BANZAT	NZ Taxi Cabs	Uber	Bus and Coach Association	Office of the Privacy Commissioner
5	Waikato Regional Council	CCS Disability	R 383: S Verma	Opus	R 294: West Coast Shuttle 2007 Ltd	R 401: Dan Gerard (Driving Instruction)
6	Horizons Regional Council	Mary Schnackenberg	R 398: Cheap Cabs	R 330: Dave Ray		Stephen Wickens (Passrite)
7	Local Government New Zealand	Paul Brown	R 412: NZ Cabs & NZ Taxi Cabs	R 311: Wayne Teutenberg		R 382: MTA
8	Taranaki Regional Council	Clive Lansink	R 320: Alan Rogers	R 297: Adam Hiron		R 348
9	Wellington City Council	Blind Citizens NZ	R 349	R 305		R 347: PassRite Driving Academy
10	Otago Regional Council	R 439: Nicola Owen	R 344: Christine Pera	Lindsay Ferguson		Respondent: Posted 1
11	Hawkes Bay Regional Council	R 374: Jonathan Mosen	R 314: Su-Wuen Ong			R 335
12	Greater Wellington Regional Council	R 329: David Maclure	R 279: Laurien Sutherland			R 1: Jules Tapper
13		R 282	R 269: John Davies			R 323: Ellen Blake
14		R 267	R 275			R 308
15		R 264	R 261: BK Sharma (You Choose It Ltd)			R 299: Yasir
16			Posted 2: Wayne Branks			R 266: Michael Meyers
17						R 260: Jimmy
Total	12	15	16	10	5	18

Appendix D: Table comparing processes to obtain a P endorsement for drivers

Process	Current model	Uber Model
a. P endorsement course consisting of two unit standards – the first, 17579, deals with driver requirements, the second, 24089, with work time responsibilities	Yes	No
b. provide a medical certificate	Yes	Yes, but unclear as to what standard
c. complete a full licence test	Yes	No
d. attend a DL agent and pay P endorsement fees	Yes	No
e. overseas conviction check (an applicant who has spent more than 12 continuous months in any overseas country, since age 16)	Yes	No
f. complete Fit and Proper check, this includes: (i) a conviction history (ii) pending charges (iii) other information held by Police (iv) other relevant information requested by NZTA	Yes	No, but note Uber will check a driver's conviction history (through the Justice Ministry) and NZTA's driver check, and also a driver's Uber ratings (if known)
g. post new licence card and ID card	Yes	No, driver is given access to Uber app

Withheld under section 9(2)(f)(iv) of the Official Information Act 1982

Cost	Current model	Uber Model
a. P endorsement course consisting of two unit standards – the first, 17579, deals with driver requirements, the second, 24089, with work time responsibilities	\$400-700 (price is set by approved assessor)	NA
b. provide a medical certificate	\$60-\$100 (varies by medical practice)	unknown
* Uber drivers must also apply for a Passenger Service Licence (as all drivers need have one or be registered to an Approved Taxi Organisation with a PSL – under the current model taxi drivers do not need PSLs as their ATOs hold them)	\$449.80 – application fee \$49.50 – handbook fee (for a new handbook) \$106 – passenger service exam \$28.80 – fit and proper check Total - \$634.1	NA
c. complete a full licence test	\$59.90	NA
d. attend a DL agent and pay P endorsement fees	Endorsement fee - \$64.40 ID card - \$8.60 Police vet – 28.80 Total - \$101.80	NA
e. overseas conviction check (an applicant who has spent more than 12 continuous months in any overseas country, since age 16)	NA	NA
f. complete Fit and Proper check, this includes: (i) a conviction history (ii) pending charges (iii) other information held by Police (iv) other relevant information requested by NZTA	NA	\$20 (as quoted)
Totals	\$621.70 – \$961.70 (+ PSL \$1255.80 - \$1595.80)	\$20 + cost of medical certificate

<u>Time</u>	<u>Current model</u>	<u>Uber Model</u>
a. P endorsement course consisting of two unit standards – the first, 17579, deals with driver requirements, the second, 24089, with work time responsibilities	1 day (but the applicant will be a need to study requirements to meet assessed standards)	NA
b. provide a medical certificate	30 minutes (subject to availability) and can be arranged concurrently with P endorsement course	unknown
c. complete a full licence test	1 hour (subject to availability)	NA
d. attend a DL agent and pay P endorsement fees	30 minutes	NA
e. overseas conviction check (an applicant who has spent more than 12 continuous months in any overseas country, since age 16)	varies, dependent on overseas jurisdiction response time	NA
f. complete Fit and Proper check, this includes: (i) a conviction history (ii) pending charges (iii) other information held by Police (iv) other relevant information requested by NZTA	average time 18 days (for applicant with no adverse result)	quoted as 6 Days
Total	20-30 days (will vary dependent on when bookings can be made)	6 days
<u>Legend</u>		
pre-requisite		
administrative requirements		
safety requirements		