



18 November 2016

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New ZealandSmall Passenger Services Reform 2017
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Dear Sir/Madam

SMALL PASSENGER SERVICES REFORM 2017

Introduction

The New Zealand Automobile Association (NZAA) welcomes the opportunity to provide comment on the Small Passenger Services Reform 2017.

The NZAA is an incorporated society with 1.5 million Members. It represents the interests of road users who collectively pay over \$2 billion in taxes each year through fuel excise, road user charges, registration fees, ACC levies, and GST. The NZAA's advocacy and policy work mainly focuses on protecting the freedom of choice and rights of motorists, keeping the cost of motoring fair and reasonable, and enhancing the safety of all road users.

The NZAA is supportive of the proposals to update regulations for small passenger services to respond to emerging technology and new business models. In our view, facilitating the introduction of new technology e.g. smartphone-based solutions that match supply with demand and facilitate ride-sharing, will drive greater competition, reduce transport costs, extend mobility benefits to a greater range of consumers, increase the utilisation of the vehicle fleet, and play an increasingly important role in addressing congestion challenges.

The NZAA is broadly supportive of the proposed amendments to the three associated Rules, however we offer comments on proposals to remove certain requirements below:

Operator Licensing Rule

Taxi services must be provided 24/7

The NZAA opposes the removal of the requirement to provide small passenger services 24 hours per day, 7 days a week in large cities. In metropolitan areas it is essential that passenger hire services are available at all hours. This is necessary for vulnerable people and medical emergencies. It also can enhance road safety by providing an alternative for alcohol or drug-impaired people who might otherwise drive.

With increased competition and innovation provided by technological developments, the cost of passenger services may fall, thereby making these services more affordable than self-drive. If 24/7 is not mandated however, there is a risk that operators or contracted drivers will choose not to make their services available at off-peak times. If services are withdrawn, then mobility

will be restricted and consumers disadvantaged. There may also potentially be increased risks to road safety. Additionally, if only a few operators choose to maintain 24/7 availability, off-peak charges may rise and competition and flexibility be reduced if those operators have a near-monopoly with restricted availability.

Therefore, the NZAA recommends that 24/7 services continue to be a mandatory requirement in large cities, however we propose that this requirement only be imposed on small passenger service operators with a vehicle fleet over a minimum size (to be determined).

Regulated signage

The NZAA opposes the wholesale removal of mandatory interior and exterior signs for 'hire and reward' small passenger services. Signage provides safety benefits for both passengers (especially street hire) and other road users (in the event of a traffic altercation), as well as helping to assist enforcement agencies to distinguish small passenger service vehicles from private (non-hire) vehicles. We recognise that the existing signage requirements do impose additional costs on providers, and suggest that the Rule could instead provide simplified, mandatory requirements that reduce costs while preserving the benefits. These could include retaining interior stickers for contact details and fare information (where applicable), and magnetic exterior decals in place of more specific livery/operator identification and roof signs for small passenger services that accept street hire. However, the NZAA supports the removal of the requirement for some information to be provided in Braille (as this information can be provided by other technology).

Yours sincerely



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