



**LEGISLATIVE COUNCIL**  
**22 June 2016 - UNCORRECTED**

**POINT TO POINT TRANSPORT (TAXIS AND HIRE VEHICLES) BILL 2016**

*Second Reading*

**The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) ( 17:19 ):** I move:

That this bill be now read a second time.

I seek leave to have my second reading speech incorporated in *Hansard*.

**Leave granted.**

The Point to Point Transport (Taxis and Hire Vehicles) Bill 2016 represents the second stage of the implementation reforms arising from the Point to Point in Transport Taskforce. Members will recall that in July 2015 I commissioned Professor Gary Sturgess, AM, aided by Dr Tom Parry AM, to undertake an examination of the future sustainability of taxis, hire cars and other emerging point to point transport providers with a view to making recommendations about the complex issues facing the industry. The taskforce presented its findings to me in November 2015 in a comprehensive report that contained 57 recommendations.

The New South Wales Government responded positively to the taskforce's vision to improve and modernise the point to point transport industry. The Government's response to the report is aimed at freeing up the industry of unnecessary red tape to allow for greater innovation and to improve customer choice, as well as to create more opportunities for industry and to boost the State economy.

Research by the Grattan Institute backs this up and noted that the collaborative economy had the effect of boosting employment and incomes for those on the fringe of the labour market. The first stage of these reforms in December 2015 allowed rideshare drivers to provide services legally so long as they met certain safety requirements. At the same time a number of prescriptive regulations which imposed unnecessary costs on taxis and hire cars were repealed.

It is heartening that, coinciding with these changes, business remains positive for the taxi industry. The New South Wales Taxi Industry Association has confirmed that network bookings for taxis are up 5 per cent year on year. There have also been significant increases in the number of people wanting to become taxi drivers. In the first five months after these changes, more than 2,200 people successfully applied to become taxi drivers. This is nearly three times as many as in the same period for any of the previous five years.

This bill represents the next and most substantial stage in the implementation of the task force findings: the establishment of a new regulatory framework for the point to point transport industry. The bill is set to give industry even greater flexibility in meeting customer demand while ensuring safety standards are maintained. The bill will apply to services in vehicles with 12 or fewer seats. It will not apply to services that are free of charge or only available to defined groups, such as community transport and courtesy transport. It allows other service types to be captured, or not, as necessary. It allows a less rigid industry structure which provides a more level playing field and allows innovation. Significantly, it creates two authorised entities: providers of taxi services and providers of booking services.

Booking services may be provided anywhere in the State, whether in a taxi or a hire vehicle. Only taxis, however, can undertake rank and hail work. There are severe penalties, including a custodial sentence, for providing a taxi service without an appropriate taxi licence. We are doing this with community safety first and foremost in mind. Importantly, in line with the task force recommendations, the bill creates a risk-based regulatory scheme with clear accountabilities based on work health and safety legislation. In line with the Point to Point Transport Taskforce recommendations, the regulatory framework should incentivise those entities whose brand is associated with the service so that they take accountability for safety outcomes. Taxi companies and booking services, including rideshare companies, will have an obligation to ensure that services are safe. They will have general safety duties, there will be clearly defined safety standards and there is a graduated penalty regime in place for noncompliance.

The bill also creates a dedicated regulator, the Commissioner for Point to Point Transport, with significant and wide-ranging powers. The task force did not specifically recommend an independent regulator. However, it is the Government's view that the creation of the commissioner's role signals a new approach to industry regulation. The

commissioner will support the new framework, with an emphasis on industry accountability, safety and compliance. The new regulatory framework will promote innovation and competition. In order to encourage the existing taxi and hire car industry to adapt to changed circumstances, the Government has approved an industry adjustment package valued at \$250 million. This assistance package is amongst the most generous in the world. Many other jurisdictions that have implemented substantial reforms to taxi and hire car regulation have offered much smaller or in some circumstances no adjustment assistance to licensees.

The bill provides for the establishment of a transitional assistance panel which includes representation from the NSW Taxi Council to oversee the distribution of assistance funds, including advising the Minister on eligibility. In addition, in order to fund the industry assistance package, the Government has agreed to the establishment of a short-term passenger service levy for up to five years. The bill provides for a levy of \$1 per trip on all point to point transport trips. It will be at the service provider's discretion whether or how to pass the charge on to customers.

The Government has heard directly from the taxi industry that the cost of compulsory third party insurance is one of the biggest overheads in their business. Independent Pricing and Regulatory Tribunal [IPART] data estimates insurance costs, including compulsory third party insurance, to be the fourth-largest outgoing expense to a taxi operator after fuel, driver earnings and taxi licence lease costs.

The task force also heard from the industry that in order to have a level playing field, the categories that the insurance industry relies upon to calculate compulsory third party [CTP] would need to be reviewed in order to reflect new business models, such as rideshare. Accordingly, the task force recommended that the Government review the current CTP regime for point to point vehicles in an effort to provide a system that is fairer, more equitable and reflective of risk for the point to point industry.

Following on from the task force recommendation, a review of CTP insurance for point to point vehicles was recently commenced by the State Insurance Regulatory Authority [SIRA], which regulates the New South Wales CTP scheme to ensure greater fairness in premium settings for the sector and support ridesharing alongside more traditional point to point providers such as taxis. Separately, SIRA is also reviewing its premium system, which includes a review of CTP premiums for taxis and hire vehicles, with a primary aim of allowing insurers to innovate in underwriting and to move towards greater levels of risk-based pricing.

Both reviews are informed by recommendations made in the recent "Report of the Independent Review of Insurer Profit within the NSW Compulsory Third Party Scheme", including the development of more transparent mechanisms such as risk pools to deal directly with the issue of premium affordability. SIRA is continuing to work closely with key stakeholders to develop a fair solution and create business practices and processes to ensure the CTP framework provides a level playing field for point to point vehicles. CTP premiums are set and sold in a competitive market by licensed CTP insurers within the Motor Accidents Compensation Act and business rules and guidelines set by SIRA.

Information on taxi and hire vehicle usage and claims is required in order to assist SIRA and CTP insurers to accurately determine the individual risk profiles of taxis and hire vehicles to set appropriate risk-based CTP premium prices. To ensure SIRA has the information it needs to make this assessment, the bill will provide SIRA with powers to collect data from the booking service and taxi service providers to help determine the appropriate CTP premiums for taxi and hire vehicles. The bill also ensures that commercially sensitive information obtained by SIRA from the booking service and taxi service providers is treated as protected information under the Motor Accidents Compensation Act 1999, which prevents that information from being divulged directly or indirectly except in limited circumstances.

As honourable members would be aware, most workplace relations issues have been referred to the national framework through the Commonwealth. However, some industries have legacy arrangements in place, including the bailment arrangements for taxi drivers in New South Wales. These are subject to the jurisdiction of the NSW Industrial Relations Commission, which may make contract determinations with respect to bailment arrangements for taxis and hire cars. Under the contract determination in place for Sydney taxi drivers, the New South Wales Taxi Industry Association represents bailors, the owners of the taxi, and the Transport Workers Union represents bailees, the drivers.

The Point to Point Transport Taskforce discussion paper asked for comment and what steps could be taken to make taxi drivers' incomes more sustainable. The Transport Workers Union did not make a submission to the task force. The submission of the NSW Taxi Council focused on the importance of amending the current contract determination as per its application currently before the NSW Industrial Relations Commission, which has been adjourned pending the Government's broader reforms. The Government is of the view that it makes sense that the issue be looked at more thoroughly, particularly now. I note that the chair of the Legislative Assembly Standing Committee for Transport and Infrastructure is in the Chamber. The committee will be asked to investigate industrial relations across the point to point transport industry and to report back quickly.

The New South Wales Government is not alone in having to deal with the impact of new technology on transport services and the rise of the sharing economy. Jurisdictions across Australia and internationally are finding ways to deal with new disruptive business models that facilitates ridesharing and has transformed booking services with booking, tracking and payment technologies. The decision to establish the Point to Point Transport Taskforce in July 2015 arose from the desire to seek expert advice and to consult with the community on the best way forward.

The inquiry promoted huge interest. The task force had about 140 meetings with different stakeholders and received over 5,600 submissions from industry, emerging players, community transport providers, business groups, government agencies, representatives of people with disabilities, and members of the public. Responses were varied but many carried a similar message. The NRMA, for example, argued that "public transport and private vehicles will continue to do the heavy lifting in getting people around, but there is a growing demand for transport services that are more flexible than public transport but cheaper than a taxi". The motoring organisation argued that one answer to

limited infrastructure capacity and congestion lay in the latent capacity in the empty seats in under-utilised private vehicles.

The NRMA's claim that ridesharing services had been well received by the community in New South Wales was supported by the numbers. Several thousand rideshare customers made submissions to the task force, and many of those gave detailed reasons in support of their choice. Further, since the first stage of the reforms in December 2015, a survey conducted on behalf of the Independent Pricing and Regulatory Tribunal [IPART] in February 2016 found that around 22 per cent of the Sydney population had used ridesharing services. Price and the perception of reliability are the two main reasons given for using a ridesharing service rather than a taxi.

Those representing the transport disadvantaged reported particular difficulties with existing taxi services. The Physical Disability Council of New South Wales complained of "no shows" and of drivers "cherry-picking" jobs and refusing to provide short-distance trips. The South West Community Transport, representing the frail aged and younger people with a disability, reported the lack of a positive attitude in the taxi industry towards this vulnerable section of the community. The NSW Council of Social Service [NCOSS] suggested to the task force:

... accessible and affordable transport is a key component of social inclusion. New forms of point to point transport, such as ridesharing services, have the potential to improve transport access for people with disability and older people.

Evidence was presented that the current regime, with its overly prescriptive regulations, increased the cost of delivering services and limited the ability of industry participants, particularly the taxi industry, to innovate. IPART argued that the taxi industry is currently burdened with higher costs compared with other modes of transport due to "inappropriate or outdated regulatory obligations". For example, until the regulation was repealed in December last year, at the recommendation of the task force, it was unlawful to operate a vehicle licensed as a taxicab in Sydney if the vehicle was more than six years old.

At the same time, according to the Australian Bureau of Statistics, the average age of all vehicles registered in Australia was 10.1 years in 2015. If a vehicle is well maintained and roadworthy its age is irrelevant. That point was made in several of the expert submissions to the task force, including by the Taxi Council and insurers. Interestingly, the task force argued that as well as deterring innovation, the system of prescriptive regulation was not ensuring good safety outcomes. The regulator's central role in compliance meant that taxi operators had a largely passive attitude to safety.

For example, an audit in 2014 conducted by the NSW Police Force found that nearly half of the taxis surveyed in the Sydney CBD had roadworthiness defects. The new regulatory framework will impose safety duties on responsible entities, such as providers of taxi and booking services and vehicle owners, to ensure that vehicles are roadworthy at all times and to keep records relating to the vehicle's maintenance. In terms of industry costs, the task force demonstrated that the system of taxi licensing that had evolved over many years was unproductive and uncompetitive.

Roads and Maritime Services data show that only 25 per cent of taxi licence holders actually operate a taxi; the rest are passive investors who lease licences to operators for considerable rent. "Taxi licences," Professor Sturgess reported, "contribute nothing to the delivery of better customer service and yet they add ... around 20 per cent to the cost of a fare." Taxi licences are a substantial asset and a barrier to entry into the industry. Muswellbrook Shire Council's submission to the task force, which was concerned about the lack of availability of services in the town, stated that the cost of taxi licences "places the running of a taxi business out of the reach of most".

As the NSW Small Business Commissioner advised the task force, new market entrants can provide alternatives to customers, inspire innovation and raise service standards across an industry. The Government should respond to market changes by regulating for effective competition and Proof 2 June 2016 implementing policy settings that provide a level playing field for market participants.

As indicated previously, the Government embraced the spirit and the intent of the task force's recommendations, including a regulatory model that incorporates the range of existing and emerging point to point transport services, initiating a new safety framework for the industry headed by a dedicated regulator, ensuring consumer protection and providing industry assistance for transition to move to a more competitive market.

Certain elements of the current system will be retained. Safety standards for drivers will be kept. As I have told honourable members, only taxis will be allowed to undertake rank and hail services, which, incidentally, account for 60 per cent of taxi work in Sydney. Providers of taxi services must be authorised by the regulator and taxis must be licensed. The penalty for providing a taxi service in a vehicle without a taxi licence is \$110,000 for a first offence. A second or subsequent offence within five years incurs a similar fine or two years imprisonment, or both. These safeguards are important because taxis are subject to more regulations for the safety and security of passengers due to the anonymous nature of rank and hail services. Taxis providing rank and hail services will continue to be clearly branded, drivers must be able to be identified and vehicles will still need to have security cameras, vehicle tracking and duress alarms.

The Government, on the advice of the Independent Pricing and Regulatory Tribunal [IPART], will continue to set maximum fares for rank and hail taxi services, and the rates must be clearly displayed within the vehicle. This prevents price gouging. Moreover, as is the case at the moment, companies can charge less than maximum fares. Drivers of wheelchair-accessible taxis will continue to be required to be competent in the safe loading, restraining and unloading of customers in wheelchairs. The requirement that taxis be maintained by a licensed mechanic will continue for all vehicles used to provide point to point transport services. Nevertheless, much will change under the new regulatory framework to allow for the development of new business models, improved safety outcomes and increased competition. While taxi licences will continue, only annual licences will be issued via tender, with the market setting the price. This is expected eventually to reduce the cost burden on industry and customers.

There will no longer be licences for hire vehicles and no need for regulatory plates. This will remove red tape and expense especially in relation to vehicle registration transfers and renewals, as identified in industry submissions to the task force.

Mandatory operator affiliation with taxi networks will be abolished: The task force found this an unnecessary layer within the industry, adding to compliance costs without evident benefits to taxi operators, drivers or customers. Drivers of point to point vehicles will no longer need to be authorised by Roads and Maritime Services, removing a cumbersome, costly and time-consuming process. However, all drivers of taxi and hire vehicles will continue to have to meet certain conditions. These include the driver holding an unrestricted Australian driver licence for 12 months of the previous two years, having undergone criminal background checks and meeting national medical standards for commercial drivers. All point to point drivers will be subject to special range prescribed concentration of alcohol offences of 0.02 per cent, which is effectively zero blood alcohol. Importantly, under safety standards in the regulations, taxi and booking service providers will be responsible for determining requirements that drivers must meet, including those for English language proficiency. In addition, the legislation will clearly set out offences that would disqualify a person from driving a point to point passenger service.

The requirement that taxis undergo two annual inspections is to be replaced by annual inspections similar to those for light vehicles more than five years old. The task force found little positive impact on safety of the existing inspection regime as many taxi owners tended to rely on mandated inspections to find faults rather than developing proactive maintenance regimes. In addition, inspections relating to taxi comfort and service quality are to be abolished. It is up to the service provider to decide what the level of quality should be; it is not for the Government to tell them. It is a reasonable expectation that a more competitive market will encourage an improvement in service standards. That is a big change culturally, particularly for the taxi industry. The task force found that prescriptive regulatory requirements for taxis relating to security equipment not only had added to compliance costs but also had discouraged the industry from taking advantage of improvements in technology. The legislation will remove obsolete and prescriptive equipment specifications, allowing taxi service providers flexibility in meeting safety and security outcomes.

The biggest changes are to the booked market. Industry protested to the task force about the cost of hire car licence fees and limits arising from operational boundaries. The task force recommended that there be no restrictions imposed on the supply of booking service providers or vehicles. Accordingly, a hire car licence is no longer needed to provide a hire car service; this means that hire car operators no longer need to pay the annual fee of \$8,235 in metropolitan Sydney, or around \$3,000 in regional NSW. HC number plates will no longer be issued and geographic Proof 2 June 2016 boundaries for all booking services, including hire cars, have been removed. Hire cars that were licensed before 18 December 2015 will keep their existing HC number plates, and continue to access bus lanes for the next four years while a long-term transition is determined in consultation with industry. To this end, I thank the hire car industry for its help in raising this issue with the Government and for working with us on this transition.

Importantly, immediate or on-demand bookings will be allowed. In addition, fares will not be regulated. However, booking service providers—whether they provide booking taxi or hire vehicle services—will be obliged to provide a fare estimate for a journey before a customer accepts the booking. The bill ensures that fare estimates must be given in Australian dollars so prospective passengers will know the amount they would need to pay. This is one of the ways in which the bill provides for consumer protection. Booking services, especially ridesharing services using a smartphone app, record the customer and driver booking transaction process. The exchange between the passenger and the driver is not anonymous, the transaction is cashless and the journey is tracked on the global positioning system [GPS]. Nevertheless, the legislation will ensure that all booking services keep sufficient records to establish driver and customer identity as well as the origin, destination, time and date of travel.

The new regulatory regime introduces stiff penalties for the provision of an unauthorised taxi service or booking service. Authorisation ensures that directors and managers are nominated; that they, or close associates, have not been convicted of a disqualifying offence; that they take responsibility for ensuring compliance with safety standards for drivers and vehicles; and that they keep accessible records. Authorisation is important for accountability and public safety. Accordingly, providing an unauthorised taxi service or booking service is a serious issue. The repeat offence of providing such a service attracts a fine of up to \$10 million for a corporation.

In its investigations the task force found that the existing regulatory regime for point to point transport services allowed participants to deflect responsibility for public safety and regulatory compliance. The purpose of this bill is to place safety accountability where it clearly belongs—with industry participants. The bill establishes safety duties and safety standards, both concepts that are common to modern regulatory safety schemes such as the Rail Safety National Law but are new to the point to point transport industry.

The bill establishes that the providers of taxi services and booking services "must ensure, so far as is reasonably practical, the health and safety of drivers and other persons while they are engaged in providing the service..." As the task force report recommended, the primary duty of care created in the bill "... imposes a requirement that a person evaluate the particular risks associated with their business and put systems in place to identify, manage, mitigate and, where possible, eliminate those risks." A person may have more than one duty under the legislation. There are three categories of safety duty offences with a descending scale of penalties according to seriousness: For example, a category 1 safety duty offence, which results in death or serious injury, incurs a maximum penalty for an individual of a \$300,000 fine or two years imprisonment, or both. The fine for a corporation is \$3 million. Importantly, the bill will allow directors to be prosecuted in safety duty offences by corporations and other matters, such as providing an unauthorised taxi or booking service. The bill also provides for safety standards for taxi service providers, booking service providers, drivers and vehicle owners or holders of taxi licences.

The regulations will specify: safety standards in relation to driver licence requirements, competence and criminal records; vehicle registration, safety and insurance; the reporting of safety incidents; records relating to vehicles, drivers and bookings; the provision of information to passengers; and safety management systems. There are

penalties for the contravention of a safety standard or failure to ensure compliance with a safety standard. Members will be aware that the purpose of safety duties and safety standards in legislation is to promote a safety culture in industry from the top to the bottom. This shows how serious the Government is about ensuring the safety of everyone involved in the point to point transport services industry. That is why we are establishing an independent regulatory entity, the Point to Point Transport Commissioner.

Evidence presented to the task force strongly suggested that the current regulatory regime is overly prescriptive and largely ineffective, while the powers of the regulator are deficient. The new regulator will have wideranging functions and powers. The bill provides for compliance and enforcement powers similar to those used for heavy vehicles and rail transport operators. Importantly, authorised officers will have a range of compliance tools at their command: audit notices, improvement notices, prohibition notices, penalty notices and enforceable undertakings. The bill allows appeals to a Local Court against certain decisions of the regulator. The new regulator will move away from the traditional "tyre kicking" methods of enforcement to more sophisticated ways of ensuring that providers of passenger and booking services meet safety outcomes and other Proof 2 June 2016 regulatory requirements. Audits of safety systems, for example, will be important to ensure that vehicles are regularly maintained and serviced.

The commissioner will use information and communication technologies to assist in his or her task, with real-time online access to criminal charge information as well as driver licensing and vehicle registration information. The bill will also allow the commissioner to provide certain information to the authorised providers of taxi and booking services to enable them to fulfil their safety duties in relation to drivers and vehicles. This new, best-practice regulatory framework will allow competition and services that better meet consumer needs. The Government is aware, however, that regulatory change will bring about further transformation on top of that already brought in by the digital disruption that led to the advent of ridesharing. The Point to Point Transport Taskforce recommended that transitional assistance payments be provided to current taxi licensees to partially offset any reduction in income. It also recommended a hardship fund, to be overseen by a panel, to provide assistance to those who are especially adversely affected, such as those at or near retirement with few other assets or sources of income.

Accordingly, as I mentioned before, a \$250 million package will provide transitional assistance to industry incumbents. This includes: a \$142 million fund for taxi licensees facing hardship as a result of the changes; \$98 million for transition assistance of \$20,000 per perpetual licence, for up to two licences, for taxi licensees who obtained a licence before 1 July 2015, to help them adjust to a more competitive market, and to offset a reduction in income; and up to \$10 million for a buyback scheme for perpetual hire car licensees. The bill establishes a Transitional Assistance Panel to oversee the distribution of the funds to help those most adversely affected, taking into account changes in the market over time and individual circumstances. The panel will be chaired by the Secretary of the Department of Transport and comprise the Secretary of the Department of Premier and Cabinet, the Secretary of the Treasury, or their delegates, as well as the Chief Executive of the NSW Taxi Council. The Government will provide other assistance to the existing point to point transport industry to ease the transition to a new market place.

No annual licences for taxis will be issued in the Sydney area for the next four years. Business advisory services provided by the Office of the NSW Small Business Commissioner are available to industry participants to help them adjust to these changes and to make informed decisions about their businesses. The focus of all these efforts, including the removal of unnecessary regulation, is to encourage the taxi industry to be more competitive and sustainable. The bill also allows me to review the impacts of these reforms on the industry. A report on the outcome of the review of the bill will be tabled in both Houses of Parliament. The bill provides for the imposition of a passenger service levy to recover the cost of the industry assistance package. The levy is a tax and is collected with the authority of the Chief Commissioner of Taxation under the Taxation Administration Act 1996. A temporary charge of \$1 will be levied on all point to point journeys involving taxi services and booking services and is payable by each provider. The Point to Point Transport Commissioner will be given powers to assist the chief commissioner with the collection of the levy, including the ability to take compliance and enforcement action in certain circumstances.

Much of the Government's efforts to improve access and social inclusion fall outside this stage of the implementation of the task force's recommendations, but it would be remiss of me if I did not mention them. Members will be aware of my commitment to the disadvantaged in our community, especially to those people who meet the challenges of transport disadvantage. I am also committed to those with disability and those in regional areas, such as the electorate I represent, where the impact of transport disadvantage is more profound. In the words of Carers NSW, it "renders services inaccessible, entrenches social isolation and negative impacts on participation in employment and education, and on health and wellbeing". The Government has already announced commitment of an additional \$15.5 million a year to support wheelchair-accessible services. Already wheelchair-accessible taxi licence fees in metropolitan areas have been reduced. From 1 July the Taxi Transport Subsidy Scheme cap will be raised from \$30 to \$60 for each journey and the wheelchair-accessible taxi incentive payment will increase from \$7.70 to \$15, excluding GST, per trip. This is along with the wheelchair-accessible taxi interest-free loan, which will be expanded from \$1 million to \$5 million, with a maximum loan sum to rise from \$30,000 to \$100,000. We will also provide a longer loan term to cover the cost of a new wheelchair-accessible taxi or to retrofit an existing vehicle. Transport for NSW is also working to subsidise the centralised booking service for wheelchair-accessible taxis in Sydney, saving these service providers \$2,130 per year in fees.

Transport for NSW will also give priority to implement the task force recommendation for the Government to examine a provider-neutral scheme to better target subsidies and incentives for services for people with disability. Submissions to the task force were overwhelming on this issue—people wanted access to alternative service providers. However, it is important that the viability of Proof 2 June 2016 service providers receive close attention, and this review will be careful in its consideration of how these incentives and subsidies are targeted.

The Government anticipates that the new regulatory framework, which this bill will establish, should enhance the supply, extent and flexibility of point to point transport services, while upholding safety and consumer protection.

Innovative services—including business models such as carpooling—will provide alternative transport services to meet growing demand. We have heeded the NRMA's advice that in its regulatory response the Government must be "mindful not to impose burdensome requirements that could hinder competition, stifle innovation or effectively encourage a non-compliant black market".

The bill will bring change to existing industries while preserving certain elements such as the exclusive right of taxis to undertake rank and hail services. Research in overseas jurisdictions such as Oregon and New York City in the United States has shown that the additional competition provided by ridesharing services has increased overall the number of journeys people take. We believe in cities like Sydney, which is experiencing a significant population increase, there will be opportunities for the point to point market also to grow significantly.

One of the key aims of the reforms is to give customers more choice—and for the community of New South Wales to exercise that choice. To this end, customers are already exercising their buying power and embracing more choice in the market, and as a consequence building the market and the benefits it offers. Recent data from a survey undertaken on behalf of IPART suggested that, overall, there has been a growth in point to point transport services. In 2012, 55 per cent of the 2,000 Sydney adults surveyed had used a taxi in the past six months. This figure rose to 61 per cent in February 2016. The broader point to point market has also grown in the past six months, driven by hire car, up from 21 per cent to 24 per cent, and ridesharing services, up from 19 per cent to 22 per cent.

The evidence suggests that, given the choice of services, many people are opting to go out more. Indeed, the freeing up of existing markets; the generation of employment, especially part-time drivers of booking services; the reduction in compliance costs; and the removal of unnecessary licensing, accreditation and inspection requirements should be beneficial to the people of the State. I will continue to consult with industry representatives to explain the regulatory framework and to fine-tune efforts to mitigate the impact of change through the assistance package and other measures. I am confident that by removing obsolete regulations and attendant costs and allowing the taxi industry to respond more flexibly to the challenges and opportunities of technology the industry will emerge in a more sustainable form. Governments must be up to meeting the challenges of the collaborative economy and industry must strive harder to provide a quality customer service as a means of attracting new customers and repeat business.

One of the hallmarks of a fair society is that governments provide reasonable assistance to those affected by regulatory change. The industry adjustment package in this bill recognises that thousands of mum and dad investors and self-funded retirees who invested in a highly regulated market will have their income affected and may experience hardship as a result of these changes. The package, and the bill more broadly, helps the hardworking people of the taxi and hire car industries to adapt to the new environment, and gives them greater opportunities to innovate and thrive. I recognise the leadership of the taxi industry. It has been a tough issue for the sector. Hardworking drivers, through the industry leaders, have been working around the clock to deliver a level playing field for the taxi industry. We want the taxi industry in this State to grow, thrive and survive. I commend the bill to the House.

**The Hon. PENNY SHARPE ( 17:19 ):** I speak on behalf of the Labor Opposition in debate on the Point to Point Transport (Taxis and Hire Vehicles) Bill 2016. As the shadow Minister for Transport in the other place noted, this bill has been a long time coming. When I was the shadow Minister for Transport we started to talk about these things quite a few years ago. A year ago Labor called for a regulatory framework that recognised ridesharing services in New South Wales. The Government has moved to try to make up for the lack of planning regarding the changes that are happening in the New South Wales economy and other economies around the world. While technology is part of the reason for the rise of the sharing economy—and ridesharing is part of that—other factors are at play. These have been well defined by Rachel Botsman, who is the author of *What's Mine is Yours*. Botsman identifies three other drivers of the sharing economy.

A shift in values in the digital age means that people are rethinking consumerism, ownership and sharing and what it would mean for their own consumption. Tougher economic times and notions of wealth, assets and growth are adding to our concerns about environmental pressures as our communities, governments and individuals look at ways to make better use of finite resources. In a consumer-driven world, the sharing economy is creating new jobs, providing new income sources, reducing waste, driving innovation, building community and reducing isolation. But by its very nature, the sharing economy relies less on regulation and more on peer-to-peer trust and reputation. This is a different model from the traditional capitalist consumer provision of goods and services. The truth is that legislation and regulations have failed to keep pace with the growth of the sharing economy. There have been bumps—and some very big bumps—in the road as some services have grown in a policy and regulation vacuum.

The bill before us goes some way to addressing issues about ridesharing and the changes that are happening in point to point transport with taxis and hire vehicles. This will be the first but definitely not the last bill that this and other Parliaments will deal with as we try to grapple with the changes that are happening around us. Members on this side of the House have seen the changes coming for some time. Last year the Leader of the Opposition, Luke Foley, called for such a bill in the lower House. The bill before us seeks to establish a review of the regulatory framework for the point to point transport industry and a new standalone regulator. It introduces measures to ensure compliance by ridesharing services and other