

**BRIEF HISTORY OF REFORM IN THE  
TAXI AND SMALL PASSENGER VEHICLE  
INDUSTRIES**

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## ***Brief History of Reform Within the Taxi and Small Passenger Vehicle Industries in SA***

### **INTRODUCTION**

Information detailed below provides a brief history of reform within the taxi and small passenger vehicle industries in South Australia and includes attachments detailing the average market value of taxi licences for the past eight years and the number of small passenger vehicles over a five year period.

### ***Taxi Industry***

- 1956 The licensing of taxis in Adelaide began with the introduction of the Metropolitan Taxi-Cab Act 1956 and the establishment of the Metropolitan Taxi-Cab Board.
- Under the Act a two plate system for taxi plates was established which separated services operating in the Adelaide CBD and those operating in the suburban areas.
- 1985 Due to a number of service and enforcement issues arising from the two plate system, legislation was amended to the current system whereby all taxi licences within the Adelaide metropolitan area are licensed and regulated under the same system.
- 1986 Regulations introduced to enable the licensing of Standby Taxis for use when another licensed taxi is temporarily out of service.
- 1990 Minister for Transport announced the release of 50 General Taxi Licences by ballot
- 1990 Leasing policy for taxi licences was reviewed and amended to enable taxi licence holders to lease the licence immediately after purchase. Previously leasing was restricted until the owner had held the licence for a minimum of 5 years.
- 1991 Mandatory training for taxi drivers was introduced from 1 September
- 1992 The tender process of taxi licences was initiated in January with 15 General Taxi Licences released. The range of tender prices for licences taken up was \$93,555 - \$89,800.
- 1993 A further 15 General Taxi Licences were released by tender in January with the range of tender prices for licences taken up between \$116,257 - \$115,101.
- 1993 In September five Special Vehicle Licences (non-transferable and wheelchair accessible) were issued through an Expression of Interest.
- 1994 The tender for 15 General Taxi Licences instigated in January saw the range of tender prices for licences taken up between \$127,125 - \$123,500.
- 1994 The introduction of the Passenger Transport Act and Regulations, 1994, saw significant changes regarding the accreditation for all taxi operators and drivers. The accreditation system provided minimum standards regarding fitness and propriety of members of the industry as well as service and vehicle standards for operators of public passenger vehicles. Accreditation requirements were also introduced for Centralised Booking Services responsible for taking bookings and despatching taxis, which prescribed minimum service and safety standards, including Global Positioning Systems and minimum waiting times.

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- 1994 In August, a further six Special Vehicle Licences were issued through an Expression of Interest
- 1994 In January the Passenger Transport (General) Regulations were amended which included the reduction of the statutory age limit for taxis from 10 years to 8 years from the date of manufacture. In September the requirement for taxi drivers to wear an approved uniform was introduced.
- 1995 In January, a further five Special Vehicle Licences were issued through an Expression of Interest.
- 1995 Minister for Transport committed to releasing 15 General Taxi Licences each year for the three years (1995 – 1997). At the time the Minister also foreshadowed a review of the system in 1997.
- 1995 In May a tender of 15 General Taxi Licences was instigated with 163 tenders received, with tender prices of licences taken up ranging from \$146,000 to \$141,500.
- 1996 In May the tender process for the issue of 15 General Taxi Licences was reviewed with additional conditions and restrictions imposed to prevent the practice of multiple tenders and manipulation of the tender process. A total of 169 tenders were received with the range of tender prices for licences taken up between \$155,500 - \$151,000.
- 1996 In November a 1% safety levy was introduced and was included in all metered fares. The objective of the safety levy was to fund safety initiatives for the taxi industry to improve the overall safety of drivers.
- 1996 In December, the Video Surveillance Review Group was formed to oversee the trial of video surveillance systems in taxis. This SA initiative was an Australian first and enabled the review Group to assess various systems and determine minimum standards and specifications for video surveillance systems.
- 1997 Regulation amendments were introduced in April in respect to wheelchair accessible licences to redefine this grade of licence and to remove the prohibition of the transfer of these licences. New grades of licences were introduced, General Licences with Special Conditions and Special Licences with Special Conditions which enable the Board to impose certain conditions regarding vehicle design and minimum service standards for people with disabilities. The Special Allocation Procedure for the tendering of licences was also amended to enable the tendering of such licences.
- 1997 In May the PTB released 15 General Taxi Licences with Special Conditions by tender. The licences were subject to special conditions regarding wheelchair accessibility and hours of dedicated service. The range of tender prices for licences taken up was \$55,000 - \$24,000.
- 1997 In December the PTB instigated a strategy in December to standardise all wheelchair accessible taxi licences in operation. This strategy was in line with the regulation amendments introduced in April 1996 which redefined conditions and requirements for wheelchair accessible taxi licences.  
At this time there were 51 Special Vehicle Licences (wheelchair accessible) which were initially issued through Expressions of Interest and were not transferable. In addition, there were a further 15 General Licences with Special Conditions which were wheelchair accessible and transferable as a result of the May 1997 tender.

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This strategy included an offer to all current operators and lessees of Special Vehicle Licences to purchase transferability of their licence for \$20,000. The purpose of this strategy was to bring these licences in line with the 15 General Licences with Special Conditions, ensuring all wheelchair accessible licences were operating under the same conditions. A total of 45 licences were converted through this offer, with the remaining licences required to operate under the same conditions, however without transferability.

- 1998 In January, the Minister for Transport established the Taxi Safety Taskforce to devise the most effective means for the industry to apply the 1% safety levy. The Taskforce recommended the installation of video surveillance systems in taxis, an initiative which was announced by the Minister at the SA Taxi Conference in July 1999 for installation in all taxis by July 2001.
- 1998 Following the moratorium on the issue of Operator Accreditations and the Addition of Vehicles for Large and Small Passenger Vehicles a range of amendments were introduced. Those relating specifically to the taxi industry are as follows:
- ❖ Reduction in age limit for taxis from eight years to 6.5 years;
  - ❖ Vehicle entry age of 3.5 years introduced
  - ❖ Requirements for all taxi operators to have in place a minimum \$5 million of Public Liability Insurance
  - ❖ Introduction of standardised livery including requirement that all taxis must be white in colour
  - ❖ Location and type of advertising permitted on taxis, including uniform company livery and signage
  - ❖ Compulsory six monthly testing of taxi meters
  - ❖ Standardisation of roof signs
- 1999 In June, the Passenger Transport (General) Regulations were amended to remove the prohibition on non-residents of SA purchasing a taxi licence as this requirement was deemed unconstitutional. In addition, there were further regulation amendments regarding prescribed age limits for taxis.

### ***Small Passenger Vehicle Industry***

- 1956 The Metropolitan Taxi-Cab Act was introduced which provided for the licensing of Hire Vehicles operating in the Adelaide metropolitan area.

The Metropolitan Taxi-Cab Board established under the Act was responsible for issuing and administering hire car licences with a seating capacity of up to eight seats. Vehicles with a seating capacity of more than 8 seats were licensed under the Road Traffic Act through the Office of Transport Policy and Planning. The average number of hire cars operating under licences issued by the Metropolitan Taxi Cab Board from 1956 to 1990 was 58. Conditions attached to hire cars required all services to be pre-booked.

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- 1980 Following an enquiry into the Hire Car Industry the Board approved the issue of twelve non-transferable, "wedding only" hire cars. Licences previously issued were "open" licences for general hire work. However, statistics on the types of vehicles licensed during that time (eg Jaguars, Mercedes, Chevrolets, Bentleys etc) indicate that these vehicles were not used for general work, but rather relied on weddings and special occasions etc. The issue of the 12 wedding only licences was the last issue of licences until May 1987.
- 1984 The Legislative Council appointed a Select Committee to report on the taxi and hire car industries. The Report, tabled in May 1985 highlighted the demand from tourists, business people etc for traditional taxi services. An additional five non-transferable hire car licences were issued to a Chauffeured Vehicle company.
- 1987 The Board established a Committee to investigate all aspects of the hire car industry, including the types of services currently being provided, the type of vehicles used, operations of unlicensed vehicles etc.
- 1988 The Board approved Hire Cars to pick up passengers without pre-bookings in designated areas on New Years Eve.
- 1989 Restrictions on the existing 11 "Wedding Only" licences were lifted, enabling the vehicles to provide general hire services. A system of temporary wedding licences was introduced providing approval for vehicles to participate in weddings for 2 consecutive days.
- 1990 In April the Minister for Transport (Hon Frank Blevins) announced a strategy to release 25 new Hire Car Licences. This strategy was approved by the Board in June 1991.
- 1991 The Minister for Transport announces the lifting of restrictions on the numbers of hire cars allowing for a system of open-entry to the hire car industry. Goodwill value of licences (at the time approximately \$30,000) disappeared immediately following the public announcement of the decision. This effectively removed entry restrictions for operators involved with pre-booked services. Small Passenger Vehicles could now compete with taxis for pre-booked services but only taxis could undertake rank and hail services.
- 1994 With the introduction of the Passenger Transport Act, 1994 licensing provisions for small passenger vehicles (hire cars) were removed and replaced with a system of accreditation. All vehicles, including those previously licensed by the Office of Transport Policy and Planning came under the control of the Passenger Transport Board. The Passenger Transport Act provided for minimum vehicle requirements including a prescribed age limit. Applications for approval beyond this age limit were considered on the basis on the type of vehicle and the nature of work provided. The Passenger Vehicle Review Committee was established, with delegated authority of the Board to consider applications of this nature.

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- 1996 In November, the Passenger Transport (General) Regulations were amended to include the following provision:
- ❖ prohibit the practice of “endorsed establishments”. The use of “endorsed establishments” was instigated by various small passenger vehicle operators to allow for bookings for service to be directed to a place other than their registered office, such as hotels, restaurants, nightclubs etc. As this practice enabled manipulation of requirements regarding pre-bookings, the regulation amendments required all bookings to be directed to a booking office approved by the PTB only.
  - ❖ Prohibition of advertising of non-taxi services in public directories under the heading “Taxis”
  - ❖ requirement for small passenger vehicles to display a “Not for Hire” sign when standing on a public street, road or place to avoid being approached by the public seeking a casual hiring.
- 1997 In July the Passenger Transport Board imposed a six month moratorium on the issue of Operator Accreditation and the Addition of Vehicles for the Small and Large Passenger Vehicle industries. The objective of the restrictions was to support initiatives being undertaken by the Passenger Transport Board to develop improved standards of vehicles and issues of passenger comfort and safety. Special exemption provisions were introduced for exceptional circumstances.
- 1997 In November, the Passenger Transport Board extended the moratorium on the issue of Operator Accreditations and the Addition of Vehicles for the Small and Large Passenger Vehicle industries. The extension for a further two months enabled the evaluation of industry submissions and the finalisation of regulation amendments for the passenger transport industry as a whole.
- 1998 On 1 February regulation amendments were implemented to more appropriately demarcate between the types of services being offered by the small passenger vehicle industry and provided for improvements in service and vehicle standards across the industry. In regard to the small passenger vehicle industry, the amendments included:
- ❖ Introduction of four categories for Small Passenger Vehicle Operator Accreditation to clearly define the types of services being offered. The four categories are *Metropolitan, Traditional, Special Purpose and Non Metropolitan*
  - ❖ Provided for prescribed age limits for small passenger vehicles, including 6.5 years for *Metropolitan*, 15 years for *Traditional and Special Purpose*, and 6.5 years for *Non-Metropolitan*. The regulations prescribed specific exemption criteria for vehicles operating in the *Traditional and Special Purpose* categories.
  - ❖ Minimum wheelbase specifications and engine capacity for small passenger vehicles in the *Metropolitan and Traditional* categories
  - ❖ Vehicle entry age limit (3.5years) for vehicles in the *Metropolitan* category
  - ❖ Maximum annual and overall kilometres for *Traditional and Special Purpose* vehicles
  - ❖ Minimum fares for vehicles in the *Traditional and Special Purpose* categories
  - ❖ Introduction of an annual vehicle fee for all small passenger vehicles.

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1999 In June, the Passenger Transport (General) Regulations were amended to prohibit the use of left-hand drive vehicles as small passenger vehicles on the basis of safety issues. Another amendment related to the requirement for the approval of vehicles over the prescribed age limit based on type of vehicle and nature of work undertaken.

### **Attachments:**

Attachment 1: Taxi Plate Transfers for 1997 – 2000

Attachment 2: Average Taxi Plate Market Values for 1992 – 1996

Attachment 3: Registered Small Passenger Vehicles

Attachment 4: Taxi Licences in Metropolitan Adelaide

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**ATTACHMENT 1**

**TAXI LICENCE TRANSFER VALUES<sup>1</sup>**

	<b>1997 (,000)</b>	<b>1998 (,000)</b>	<b>1999 (,000)</b>	<b>2000 (,000)</b>
<b>JANUARY</b>	1 @ 150 1 @ 153 1 @ 154	1 @ 155 1 @ 156	1 @ 147 1 @ 152	1 @ 125
<b>FEBRUARY</b>		1 @ 155 1 @ 157 1 @ 158	2 @ 149	1 @ 110
<b>MARCH</b>		1 @ 156 2 @ 158 1 @ 160	1 @ 140 1 @ 157	1 @ 115 3 @ 150
<b>APRIL</b>	1 @ 153.5 1 @ 155	1 @ 150 2 @ 160	1 @ 141.5	1 @ 120
<b>MAY</b>	1 @ 154 1 @ 155	1 @ 159 2 @ 160 1 @ 164		1 @ 117
<b>JUNE</b>	1 @ 156 1 @ 157 1 @ 158	1 @ 140 1 @ 164	1 @ 145	1 @ 107.5    1 @ 112 1 @ 113.5    1 @ 115 1 @ 120
<b>JULY</b>	1 @ 151    1 @ 155 1 @ 157    1 @ 158 1 @ 159	2 @ 160 1 @ 161 1 @ 164 1 @ 165	1 @ 142 1 @ 130	
<b>AUGUST</b>	1 @ 130    1 @ 151 1 @ 156    1 @ 157	1 @ 130 1 @ 166	1 @ 142 1 @ 141	1 @ \$105
<b>SEPTEMBER</b>	2 @ 155 1 @ 156 1 @ 157	1 @ 150 1 @ 161 1 @ 166 2 @ 160 2 @ 164	1 @ 133	1 @ \$102 1 @ \$105
<b>OCTOBER</b>		1 @ 150 1 @ 165	1 @ 128	
<b>NOVEMBER</b>	3 @ 155 2 @ 156 1 @ 157	1 @ 150 1 @ 167	2 @ 130 1 @ 132 1 @ 131 1 @ 127	
<b>DECEMBER</b>	1 @ 155    1 @ 157 1 @ 156	1 @ 159 1 @ 163	3 @ 130 1 @ 119	

<sup>1</sup> Figures provided by South Australian Taxi Association Journal 1997 - 2000

**AVERAGE MARKET VALUES FOR TAXI LICENCES<sup>2</sup>**

	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>
<b>JANUARY</b>	\$82,500	\$111,500	\$121,500	\$137,500	\$142,200
<b>JUNE</b>	\$104,469	\$123,500	\$122,938	\$140,000	\$150,967

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<sup>2</sup> Figures obtained from Transfers of Taxi Licences approved by the Passenger Transport Board from January 1992 – June 1996

**Registered Small Passenger Vehicles**

The information below outlines the numbers of small passenger vehicles in South Australia over a five year period and highlights market demand for pre-booked small passenger vehicle services. Whilst the removal of entry restrictions saw an initial increase in the numbers of small passenger vehicles, the figures below confirm that the market has now stabilised with approximately 100 vehicles servicing the SPV Metro market. This is not a static figure as many of these vehicles have changed hands, although the numbers have not significantly changed.

- 1995/96     **284** (only metropolitan vehicles previously managed by the MTCB)
- 1996/97     **964** (includes all public passenger vehicles 12 seats or less excluding metro taxis)
- 1997/98     **869** Figures for 1996/97 and 97/98 were the best available at the time. Due to database limitations this number includes some vehicles which should not have been included and would not be considered SPV under current criteria. Further investigations into these figures also indicated that a number of private vehicles were inappropriately registered in the “Public Passenger Vehicle” insurance category due to financial benefits of lower insurance premiums. SGIC have since reviewed the insurance categories and premiums and rectified this anomaly.

From 1 February 1998 new categories for small passenger vehicles (SPV’s) were introduced to enable demarcation between the services offered. These categories include:

- Metropolitan (MV)** Applies to fast response, low fare, pre-booked service without restriction on distance travelled but with controls on vehicle age and inspection frequency the same as for a taxi service. The category only applies to vehicles operating within the Adelaide metropolitan area.
- Traditional (TV)** Applies to services provided at greater than a minimum fare and with a limit on the distance travelled (both per annum and overall). It may include vehicles up to 15 years based on a limited Plan of Operation.
- Special Purpose (SV)** Applies to services based on a limited Plan of Operation that reflects the vehicle type as an integral component of the service eg weddings, special occasions. It could include classic vehicles (**SV3**), novelty type or specialised vehicles (**SV4**) eg Porsche, Motor Trike or Fiat Bambino), off-road 4WD vehicles (**SV1**) and motor cycles (**SV2**). Approval may be granted for extended age limits.
- Non-Metropolitan (NV)** Applies to services outside the metropolitan area that exhibit the operational characteristics similar to SPV Metropolitan.

Information below outlines the total number of SPV’s registered in each accreditation category

	<b>MV</b>	<b>TV</b>	<b>SV1</b>	<b>SV2</b>	<b>SV3</b>	<b>SV4</b>	<b>NV</b>	<b>No Cat.*</b>	<b>Total</b>
<b>DEC 1998</b>	62	140	41	24	152	12	51	55	537
<b>MAY1999</b>	85	131	30	9	141	7	30	14	447
<b>MAR 2000</b>	96	89	41	12	70	10	32	1	351
<b>AUG 2000</b>	94	102	56	12	57	9	31	1	362

\* Vehicles *Not Categorised* must be taken into account when comparing figures in each category over the 2 year period. Patterns would suggest many were *Metropolitan (MV)* and this may be due in part to operators attempting to avoid the \$1000 annual vehicle fee.

***Taxi Licences in Metropolitan Adelaide***

There are 1047 taxi licences issued in metropolitan Adelaide as detailed below:

- ❖ 920 General Licences
- ❖ 22 General Licences with Special Conditions (Wheelchair Accessible)
- ❖ 42 Special Licences with Special Conditions (Wheelchair Accessible)
- ❖ 3 Special Vehicle Licences – non-transferable ( Wheelchair Accessible)
- ❖ 3 Temporary Special Vehicle Licences – non-transferable (Wheelchair Accessible)
- ❖ 57 Standby Licences (including three accessible vehicles)