



**Submission to**  
**Transport and Industrial Relations Select Committee**  
**on the**  
**Land Transport Amendment Bill 2016**

**Date: 27 October 2016**

**TOURISM INDUSTRY AOTEAROA**

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Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on the Land Transport Amendment Bill 2016.

#### EXECUTIVE SUMMARY

1. TIA's comments on the proposed Land Transport Amendment Bill are based on three principles:
  - safety of both visitors and drivers
  - enhancing the visitor experience; and
  - ensuring any additional compliance requirements and costs to transport operators are not unreasonable
2. Safety of visitors and drivers is critical to this discussion. Visitors need to know they are using a transport operator that meets a set of minimum requirements in regards to the quality of the driver and the safety standard of the vehicle.
3. We support the continued requirement for all drivers of small vehicle passenger services to obtain a P-endorsement on their licence and support the standards that must be met to obtain this.
4. TIA is concerned to see that drivers of small vehicle passenger services do not require knowledge of the English language.

#### INTRODUCTION

5. Tourism Industry Aotearoa (TIA) is the peak body for the tourism industry in New Zealand. With over 1,500 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure and activities, attractions and retail, airports and airlines, as well as related tourism services.
6. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events, membership and business capability. The team is based in Wellington and is led by Chief Executive, Chris Roberts.
7. Any enquiries relating to this paper should in the first instance be referred to Nienke van Dijken, TIA Policy Analyst at [nienke.vandijken@tia.org.nz](mailto:nienke.vandijken@tia.org.nz) or by phone on 04 494 1842.


#### COMMENT

##### Tourism 2025

8. Tourism 2025 ([www.tourism2025.org.nz](http://www.tourism2025.org.nz)), an industry-led, government supported economic growth framework was launched in New Zealand in 2014 and has set an aspirational goal of reaching \$41 billion in annual tourism revenues by 2025. The industry's focus is on growing value faster than volume.

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9. The Tourism 2025 framework is based around five key themes which are Insight, Connectivity, Productivity, Visitor Experience and Target for Value.
10. This framework has recently been reviewed ([Tourism 2025-two years on](#)). While the five themes of the framework remain unchanged, the emphasis in some focus areas has shifted. Facilitating infrastructure investment to support tourism growth is one of the themes now being given greater priority.

#### Our understanding of the issue

11. In February 2016, TIA submitted on the regulatory impact statement 'Future Framework for small passenger services' by the Ministry of Transport. This is one of six regulatory impact statements that were produced to inform the policy decisions that led to the Land Transport Amendment Bill.
12. TIA understands that the main aim of the Land Transport Amendment Bill is to amend the Land Transport Act 1998 in relation to drink driving, public transport fare evasion, fleeing drivers, heavy vehicle regulation, the Land Transport (Vehicle Dimensions and Mass) Rule 2002 (the VDAM Rule), small passenger services, and make a range of minor amendments to ensure that the Land Transport Act 1998 (the Act) is clear and operating as intended.
13. Small passenger vehicles play a critical part in the transport infrastructure for both domestic and international visitors. TIA will be submitting on the **small passenger vehicle component** only as this component is the component that the tourism industry is most impacted by.
14. Vehicles operating under the banner of small passenger services are vehicles that carry up to 12 passengers, including the driver. These are grouped into seven main classes. The four directly relevant to tourism are taxis, private hire services e.g. limousines, shuttle services and transport network companies. The other three classes are dial-a-driver services, carpooling, and ridesharing. Under the proposed Land Transport Amendment Bill, third party small vehicle services such as Uber are now included in these classes as well.
15. We understand that the proposed regulatory system for small passenger services aims:
  - To respond to emerging technology and the introduction of new business models within the sector
  - To reduce barriers to entry, thereby encouraging competition in the small passenger services market
  - To ensure that the regulatory system is fit for the purpose to meet New Zealand's future needs and delivers maximum benefits for consumers.

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## General

### **Safety**

16. TIA's interest in the proposed Land Transport Amendment Bill is based on three principles:
  - safety of both visitors and drivers
  - enhancing the visitor experience; and
  - ensuring any additional compliance requirements and costs to transport operators are not unreasonable
17. Visitors need to know they are using a transport operator that meets a set of minimum requirements in regards to the quality of the driver and the safety standard of the vehicle.
18. Assessment of the driver's capability and background is an important feature of the safety regime. We support the continued requirement for all drivers of small vehicle passenger services to obtain a P-endorsement on their licence and support the standards (training, minimum period to hold a licence, fit and proper person check) that must be met to obtain this.
19. We have in the past raised concerns with NZTA about the delays that operators have experienced in getting P-endorsements for drivers. During 2015, some drivers experienced delays of up to three months to get the endorsement. This is unacceptable and results in loss of business for operators who are unable to put vehicles on the road and lost work opportunities for the applicants. We acknowledge that timeframes have improved since the latter part of 2015. It is, however, an issue that needs to remain high on the radar to ensure turnaround times are prompt.
20. Safety of vehicles is paramount. We support the requirement for all small passenger vehicle services to undergo a six-month Certificate of Fitness (COF) check.
21. The proposed law requires that small passenger services either have an in-vehicle security camera; or only provide services to registered passengers, share, record, and keep information about the passenger and driver.
22. TIA is generally in favour of in-vehicle cameras due to the security and monitoring aspects they provide. We are of the opinion that operators with advanced technologies that have a pre-booking system could meet the exemption criteria. As such, we support this amendment.
23. Regulated signage is important. Walk-up customers need to know they are getting into a vehicle that meets compliance requirements. Signage is an important part of this. Without a requirement for regulated signage, there is a real risk bogus/unmarked small vehicle passenger services could operate. TIA is concerned to see that regulated signage is no longer needed.

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## **Visitor experience**

24. An outstanding visitor experience is a key theme of the tourism industry's strategic framework Tourism 2025. The industry's goal is to have visitors promote New Zealand when they get home, and also to return to New Zealand for subsequent trips in the future. A positive visitor experience is critical to achieving this.
25. We are concerned to see that drivers of small vehicle passenger services do not require knowledge of the English language. Our view is that the ability to speak and hold a conversation in English is a minimum requirement of any driver of a small vehicle passenger service.
26. We do not, however, advocate for a compliance system to achieve this. The application of this requirement can be done through either existing systems and/or the employment process (or if owner-operator through the ATO registration process via an interview). It should be reasonably easy to assess if someone can hold a conversation in English without wrapping an unnecessarily high level of compliance around it.

## **CONCLUSION**


27. TIA's comments on the proposed Land Transport Amendment Bill are based on three principles:
- safety of both visitors and drivers
  - enhancing the visitor experience; and
  - ensuring any additional compliance requirements and costs to transport operators are not unreasonable
28. Safety of visitors and drivers is critical to this discussion. Visitors need to know they are using a transport operator that meets a set of minimum requirements in regards to the quality of the driver and the safety standard of the vehicle.
29. We support the continued requirement for all drivers of small vehicle passenger services to obtain a P-endorsement on their licence and support the standards that must be met to obtain this.
30. TIA concerned to see that drivers of small vehicle passenger services do not require knowledge of the English language.

## **BACKGROUND**

31. Tourism for New Zealand is big business as the country's largest export sector. It is a major contributor to the New Zealand economy that will always be here and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean and pure offer that is synonymous with New Zealand

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tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.

32. The tourism industry delivers the following value to New Zealand's economy:

- Tourism in New Zealand is a \$95 million per day and \$34.7 billion a year industry. Tourism delivers around \$40 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$55 million in economic activity every day
- The tourism industry directly and indirectly supports 13.2% of the total number of people employed in New Zealand. That means 332,322 people are working in the visitor economy.
- Tourism is one of New Zealand's biggest export industries, earning \$14.5 billion or 20.7% of New Zealand's foreign exchange earnings (year ended March 2016).

End.

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