

August 31, 2015

ICA welcomes focus on taxi service regulations in NSW

The Insurance Council of Australia (ICA) welcomes the NSW Government's recognition of the need to revise the transport regulatory framework to address challenges created by ride-hailing services and other changes in the taxi and point-to-point transport market.

In the recently released Point to Point Transport Taskforce discussion paper, taskforce head Professor Gary Sturgess, acknowledges point-to-point transport services in NSW are rapidly evolving due to population changes, new technologies and growing customer demand.

The ICA notes Professor Sturgess's comments that the existing regulatory framework is not able to adequately deal with recent market changes and that ride-hailing services are operating unlawfully in NSW.

ICA CEO Rob Whelan said the call for public submissions provides a welcome opportunity for regulators, the taxi industry and the insurance sector to work towards finding a fair and equitable long-term solution.

"The discussion paper puts the spotlight on a range of insurance issues which must be adequately addressed by any new regulatory regime," Mr Whelan said.

"The taskforce has highlighted serious questions in relation to ride-hailing services and insurance cover – not only for the protection of the driver's potential liability in a collision but also the passenger and members of the public.

"Ride-hailing services are operating outside NSW regulations and in most cases the drivers' normal comprehensive motor vehicle insurance is unlikely to cover them. The implications for the compulsory personal injury insurance scheme (CTP/green slip) is also unclear."

The discussion paper states: *"In addition to CTP insurance, taxi, hire car and tourist service providers must provide third party property damage insurance cover of at least \$5 million for each vehicle used to provide the service. This requirement is in place so that people whose property is damaged in the event of an accident do not have to seek the costs of this damage through the courts."*

Mr Whelan said drivers may be exposing themselves to substantial financial loss if they were involved in a collision or cause property damage while using car ride-hailing services.

"Any motorist considering making money by providing a ride-hailing service should first discuss this with their insurer to check the impact this might have on their motor vehicle insurance policies, in particular comprehensive or third party property insurance," Mr Whelan said.

"Any passengers that use a ride-hail service, or any motorist offering a ride-sharing service, should be aware of the high level of uncertainty about how their insurance policies may respond as a result of an incident."

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