

# **EXPLANATORY MEMORANDUM**

## ***Transport (Road Passenger Services)***

### ***Amendment Bill 2018***

The Transport (Road Passenger Services) Amendment Bill 2018 will amend the Transport (Road Passenger Services) Bill 2018 to impose the on-demand passenger transport levy.

A separate Bill is required to impose the levy because of section 46(7) of the *Constitution Acts Amendment Act 1899*, which provides that bills imposing taxation shall deal only with the imposition of taxation.

Part 9, Division 1 of the Transport (Road Passenger Services) Bill 2018 will provide for an industry funded buy-back scheme in respect of owned taxi plates issued under the *Taxi Act 1994*. The buy-back scheme is to be funded through a levy on leviable passenger services transactions.

Part 9, Division 2 of the Transport (Road Passenger Services) Bill 2018 provides for the administration of the levy.

Clause 244 of the Transport (Road Passenger Services) Bill 2018 provides that the taking of a booking for an on-demand passenger transport service that is to be carried out wholly or partly within the defined 'levy area', is a leviable passenger service transaction.

The levy area is the area centring on metropolitan Perth and the districts of Mandurah and Murray. In the Transport (Road Passenger Services) Bill, the meaning of 'taking a booking' includes the hiring of a vehicle as a result of a rank or hail service (clause 4(1)), meaning that the levy will be payable in respect of both pre-bookings and on the spot bookings for on-demand passenger services. Pursuant to clause 246 of the Transport (Road Passenger Services) Bill, the levy will only become payable, if and when the passenger transport service to which the booking relates is completed.

The levy is limited to on-demand passenger transport services in vehicles that are equipped to seat no more than 12 people (including the driver), and will not apply to regular or tourism passenger transport services that are not on-demand in nature. For example, regular and tourism passenger transport services that are available to the public according to a set timetable or publicly available itinerary determined by the provider, are not considered a key competitor of the taxi or charter industry and are therefore not subject to the levy. It is intended that booking service providers who solely offer certain pre-booked services may apply for exemption from the levy.

To reduce the impost of the levy on regional taxi-car and charter operators, the levy is only proposed to apply in the Perth metropolitan and nearby Mandurah and Murray districts. Mandurah and Murray districts are included in the levy due to their close proximity of operation with the Perth metropolitan area.

Clause 4 of this Bill will, upon commencement, amend clause 245 of Part 9, Division 2 of the Transport (Road Passenger Services) Bill 2018 to impose the levy and provide for the amount of levy payable in respect of each leviable passenger service transaction to be calculated by reference to the fare paid for the on-demand passenger transport service. The levy will be 10% of the fare to a maximum of \$10 per transaction.

Clause 329 of the Transport (Road Passenger Services) Bill 2018 will amend the *Taxation Administration Act 2003* to prescribe Part 9, Division 2 as a taxing Act for the purposes of that Act. It is proposed that the CEO for the purposes of the Transport (Road Passenger Services) Bill 2018 will administer the levy pursuant to a delegation from the Commissioner of State Revenue, drawing on the Commissioner's expertise with taxation matters where required.

### **Clause 1 - Short Title**

This Bill, once it is passed and receives the Royal Assent, will be known as the *Transport (Road Passenger Services) Amendment Act 2018*.

### **Clause 2 - Commencement**

This clause provides for when this Bill, once passed, will come into operation.

Clause 2(a) provides that the short title of the Act provided by Clause 1 and this clause will come into operation when this Bill receives the Royal Assent.

Clause 2(b) links the commencement of clauses 3 and 4 to the commencement of the *Transport (Road Passenger Services) Act 2018* section 245. Section 245 provides for the on-demand passenger transport levy, clauses 3 and 4 of this Bill operate to amend this section to impose the levy.

### **Clause 3 - Act amended**

The Transport (Road Passenger Services) Bill 2018 will be known as the *Transport (Road Passenger Services) Act 2018* when it is passed by Parliament and receives Royal Assent. This Bill, once passed, will amend the *Transport (Road Passenger Services) Act 2018*.

### **Clause 4 - Section 245 amended**

Clause 245 of the Transport (Road Passenger Services) Bill 2018 provides for the on-demand passenger transport levy. This clause will amend (once passed) section 245 by inserting subsection (3) to impose the levy and inserting subsection (4) to provide the amount of the levy.

The amount of the levy will be 10% of the *levy fare* (defined in clause 241 of the Bill) for the *on-demand passenger transport service* (defined in clause 5 of the Bill) to which each *leviable passenger service transaction* (defined in clause 244) relates.

The amount of the levy is capped at a maximum of \$10 for each leviable service transaction.