

Department of State Growth

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Mr Glenn Bounds
Assistance Director - Pricing
Office of the Tasmanian Economic Regulator

By email: office@economicregulator.tas.gov.au

Dear Mr Bounds

The Department of State Growth has now had the opportunity to review the draft report of the Tasmanian Economic Regulator (TER) of its investigation into the MAIB's pricing policies and the issues on which it has invited further comments.

With regard to the TER's draft recommendation that car sharing or peer-to-peer rental services be treated the same as other commercial hire vehicles, State Growth has no objection to this approach. State Growth notes that the Transport Commission has taken the view that peer-to-peer rental services will serve a similar function in Tasmania to standard hire and drive operations. That is, the most likely market for these vehicles will be tourists from interstate. While in some jurisdictions car sharing is primarily aimed at locals driving in known environments, in Tasmania car sharing is operating in competition to conventional hire car operators. This means that the typical hire will be to tourists driving on unfamiliar roads. This market is also reflected in the Government's Hire and Drive Reimbursement Program which supports vehicle owners who add MAIB premium Class 8 registration to join an accredited car sharing platform.

Were peer-to-peer car sharing vehicles not to be included in Class 8 with other hire and drive vehicles, the eligibility criteria for the Hire and Drive Reimbursement Program would need to be reconsidered for vehicle owners joining peer-to-peer platforms. A key reason for establishing the program was to assist vehicle owners considering these platforms with the higher cost of the Class 8 premium at a time of restricted supply of Hire and Drive vehicles. Further, in the event that Class 8 was not taken to be the appropriate class, State Growth would not support the inclusion of these vehicles in Class 1.

State Growth notes the intended recommendation to adjust the relativity for ride-sourcing vehicles to 1.30 and supports this change. From the outset, State Growth has supported the creation of a specific ridesourcing class category in order to ensure that any higher risk associated with commercial activity should not be captured within the category of private vehicles.

I can also confirm that State Growth has no issues with the proposal for electric motorcycles to be classified based on peak power rating and inclusion within the current motorcycle vehicle classes.

Please contact Martin Crane, General Manager Road User Services, by email at martin.crane@stategrowth.tas.gov.au or telephone on (03) 6166 3255 for more information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gary Swain', written in a cursive style.

Gary Swain
Deputy Secretary Transport and Infrastructure

16 July 2021