



Effectiveness of  
controls over the  
taxi industry:

Follow-up report

## Introduction

In 2005, the Auditor-General reported on the effectiveness of controls over the taxi industry.<sup>1</sup> The report made 61 recommendations to improve Land Transport New Zealand's (LTNZ) performance in this area.

After the release of our 2005 report, we committed to providing the Transport and Industrial Relations Committee (the Committee) with regular updates on LTNZ's progress in implementing our recommendations. The last formal update to the Committee was in June 2006, and stated that LTNZ had made a good start in addressing our concerns. We now provide a further update on the action taken by LTNZ to implement the recommendations.

To complete this 2007 report, we did a review in which we asked LTNZ for, and received, an update of its progress towards implementing the recommendations from our 2005 report. We also met with representatives from LTNZ and the Ministry of Transport, and analysed a number of relevant documents.

We considered each recommendation from our 2005 report, with reference to these discussions and the documents provided, and assessed whether:

- the recommendation had been implemented;
- the intent of the recommendation had been implemented;
- the recommendation had been partially implemented; or
- the recommendation had not been implemented.

For those recommendations that had not been implemented or were partially implemented, we also assessed whether LTNZ had made adequate progress towards implementing the recommendations.

A glossary of terms is provided at the end of the report.

## Overall findings

LTNZ has done a considerable amount of work to review its approach to the taxi industry. Figure 1 summarises the implementation status of our 61 recommendations and indicates whether or not we are satisfied with the progress made.

---

<sup>1</sup> Controller and Auditor-General (2005), *Effectiveness of controls over the taxi industry*, Controller and Auditor-General, Wellington.

Overall, we are satisfied with how LTNZ has responded to 80.3% (or 49 out of 61) of the recommendations in our 2005 report. LTNZ has implemented, or has implemented the intent of, 28 recommendations (45.9%) and has made adequate progress towards implementing another 21 recommendations (34.4%).

**Figure 1  
Implementation status of recommendations**

Implementation status	Recommendations	
	Number	%
Implemented or intent implemented – satisfied with progress	28	45.9
Partially implemented – satisfied with progress	10	16.4
Partially implemented – unsatisfied with progress	2	3.3
Not implemented – satisfied with progress	11	18.0
Not implemented – unsatisfied with progress	10	16.4
	<b>61</b>	<b>100</b>

We consider LTNZ has not made adequate progress in implementing 12 of the recommendations (19.7%). These recommendations are discussed under “areas for further improvement” on pages 5-6.

LTNZ’s progress towards implementing all 61 recommendations is summarised in Figure 2 on pages 6-15.

## Main improvements made

Good progress has been made in two main areas, which should result in significant improvements to how the taxi industry is managed:

- recruitment of taxi enforcement officers; and
- introduction of the Land Transport Rule: Operator Licensing 2007.

## Recruitment of taxi enforcement officers

LTNZ finalised recruitment of a team of 10 dedicated taxi enforcement officers and one taxi enforcement administration officer in May 2007. The taxi enforcement officers have since been through an induction and training programme. While the taxi enforcement officers' principal focus is to ensure taxi passenger safety and security, their role also covers monitoring and enforcing requirements such as vehicle signage and certification, the driver's ability to understand and communicate in English, and the driver's knowledge of the area. Taxi enforcement officers are empowered to issue infringement notices and non-operating orders when offences are discovered.

The establishment of the team of taxi enforcement officers addressed recommendations 23, 29, and 50 from our 2005 report.

## Introduction of the Land Transport Rule: Operator Licensing 2007

The Land Transport Rule: Operator Licensing 2007 (the Operator Licensing Rule) came into force on 1 October 2007. The purpose of the Operator Licensing Rule is to establish a fair and consistent framework for the licensing of transport operators. The Operator Licensing Rule sets out the requirements for obtaining and retaining a licence to operate a passenger vehicle (including a taxi). It also contains requirements that apply to approved taxi organisations.<sup>2</sup>

The introduction of the Operator Licensing Rule made the following significant changes to the taxi industry:

- An approved taxi organisation now has greater responsibility for the standards to be met by its members – this includes strengthening the process for reporting complaints of serious improper behaviour by drivers to LTNZ and clarifying the requirements covering the use of signage and the registration of fares (recommendations 34, 38, and 42).
- A person who wishes to set up an approved taxi organisation must obtain a Certificate of Knowledge of Law and Practice, and a person who is currently in control of an approved taxi organisation may be required to pass or re-sit the Certificate of Knowledge of Law and Practice examination if it is considered that they do not have adequate knowledge of the laws and practices relevant to the transport service being operated (recommendation 11).

---

<sup>2</sup> An approved taxi organisation is an entity that provides the formal organisational management structure for its members (the licensed operators) – this includes providing an appropriate booking system, maintaining a register of drivers and complaints, and ensuring members, their drivers and taxi vehicles comply with the company's operating rules.

- To assist in enforcing transport operator legislation, the Operator Licensing Rule requires that the transport service licence number be displayed in addition to the operator identification information currently required to be displayed on taxis and other vehicles (recommendation 51).
- There have been changes to the driver identification card requirements to ensure that passengers are better able to identify a driver (recommendation 1).
- The requirements relating to the holding of area knowledge certificates in the Auckland and Wellington metropolitan areas are strengthened. A person who demonstrates inadequate English speaking skills can, despite having passed an area knowledge test, be required to either pass an English test or complete an approved course (recommendation 17).

## Additional improvements planned

### Amendment to the Land Transport (Driver Licensing) Rule 1999

An amendment to the Land Transport (Driver Licensing) Rule 1999 (the Driver Licensing Rule) was in the planning stage during our review. While the content of the amendment had yet to be agreed, LTNZ was seeking changes to the rule that would see a further five recommendations from our 2005 report implemented. These recommendations deal with the following issues:

- ensuring that an applicant's knowledge of passenger endorsement requirements is current when the person applies for a passenger endorsement course certificate (recommendation 15);
- considering changes to the requirements relating to the currency of medical certificates for taxi drivers who are seeking or renewing a licence (recommendation 18);
- surrender of expired driver identification cards (recommendation 40); and
- suspension and revocation of driver licence course providers (recommendations 43 and 44).

The draft amendment to the Driver Licensing Rule was expected to be released for consultation by June 2008, with final sign-off by the Minister of Transport anticipated by June 2009.

## Areas for further improvement

As mentioned, there are 12 recommendations for which we consider the progress has not been adequate.

Eight of these recommendations concern matters such as LTNZ still needing to tighten its internal policies to ensure consistent decision-making on actions related to prosecution and enforcement, and to monitoring the fitness and propriety of passenger service licence holders. We saw no major barriers to LTNZ being able to implement these recommendations; rather it is a matter of LTNZ giving priority to the recommendations in its work programme to ensure that they are addressed.

The other four recommendations require LTNZ to work with other government agencies such as the Inland Revenue Department, Immigration New Zealand,<sup>3</sup> and the New Zealand Police. The slow progress towards implementing these recommendations indicates that LTNZ may need to strengthen its working relationship with these agencies.

## Summary of progress made

Figure 2 outlines, for each of the 61 recommendations in our 2005 report, whether at 5 October 2007:

- the recommendation had been implemented;
- the intent of the recommendation had been implemented;
- the recommendation had been partially implemented; or
- the recommendation had not been implemented.

We also provide a brief summary of the progress made by LTNZ towards implementing the recommendations as at 5 October 2007, and our assessment of whether adequate progress has been made or is planned.

**Figure 2**  
**Progress in implementing the recommendations**

We recommended that Land Transport New Zealand:	Implementation status	Progress made to 5 October 2007	Was adequate progress made or planned?
1 ... ensure that it only approves unique identifiers that would be easily recalled by passengers.	Partially implemented	The format of unique identifiers is prescribed by the Operator Licensing Rule. LTNZ had sent information to its agents to advise them of the required format, but was not checking that agents used only unique identifiers that complied with this format. LTNZ told us that it intends to add a reminder about compliance of unique identifiers with the Operator Licensing Rule to its checklist for agents.	✓

<sup>3</sup> Immigration New Zealand is the name that the Department of Labour's immigration branch offices operate under in New Zealand and overseas.

We recommended that Land Transport New Zealand:	Implementation status	Progress made to 5 October 2007	Was adequate progress made or planned?
2 ... when assessing an applicant's fitness and propriety, obtain consent for the Police to disclose any information they might hold about the applicant.	Not implemented	The intent of this recommendation was that LTNZ would request and receive "red stamp" information from the Police – i.e. information that covered more than an applicant's conviction history. LTNZ was still not requesting or receiving "red stamp" information, but it considered that it received all the information from the Police about an applicant that it could reasonably use to form a decision on whether to approve an application. We maintain that "red stamp" information could be useful to LTNZ when assessing an applicant's fitness and propriety, particularly in cases where the decision is marginal because of other concerns.	✘
3 ... include a performance measure in its Statement of Intent for the total elapsed time taken to deal with applications.	Intent of recommendation implemented	LTNZ was collecting information about time frames for processing applications in a format which was able to be monitored. While the information collected varied between offices, LTNZ told us that a centralised database for recording and monitoring processing time frames was planned.	✓
4 ... and the Police amend their Memorandum of Understanding to include timeliness measures for the provision of Police vetting checks.	Not implemented	While LTNZ and the Police were still operating under an informal arrangement for sharing Police vetting information, LTNZ was receiving the information within acceptable time frames, and monitoring of these time frames allowed any delays to be addressed. An amendment to the Memorandum of Understanding between the Police and LTNZ was planned for after LTNZ's merger with Transit New Zealand.	✓
5 ... record, as part of the fitness and propriety assessment, that it has checked an applicant's medical certificate to see whether they have, or have been treated for, a mental illness.	Implemented		✓
6 ... ensure that all regional offices adopt a consistent approach to warning, or prosecuting, applicants who knowingly make false declarations on their application form about previous convictions or charges awaiting hearing.	Not implemented	LTNZ did not have a formal or consistent policy about how applicants who knowingly make a false declaration on application forms would be dealt with. A lack of policy does not mean that any false declarations are not discovered when an application is processed, but that there is no consistency in any action taken in response to a false declaration.	✘
7 ... establish guidelines for the use of the "without prejudice" tool, so it is used consistently and appropriately.	Not implemented	LTNZ had prepared a model letter for use when issuing a "without prejudice" decision, but had not prepared any guidance on when to issue the decision. LTNZ was planning to complete this before December 2007.	✓
8 ... seek an amendment to the Land Transport (Driver Licensing) Rule 1999 to allow Land Transport New Zealand to grant endorsements for a period that coincides with the expiry of a person's immigration permit.	Partially implemented	LTNZ was intending to review the system that allowed a five-year passenger endorsement to be issued to an applicant with only a 12-month work permit, and was looking to annotate the files of people on work permits so that LTNZ staff would be reminded to check the work permit status of any applicant on a work permit who wished to renew their passenger endorsement. A policy change now means that a person must hold a full New Zealand driver licence for two years before they can apply for a passenger endorsement.	✘

We recommended that Land Transport New Zealand:	Implementation status	Progress made to 5 October 2007	Was adequate progress made or planned?
9 ... formalise its relationship with the New Zealand Immigration Service, to ensure that Land Transport New Zealand receives complete and timely information about overseas-born applicants.	Not implemented	The relationship between LTNZ and Immigration New Zealand had not been formalised, but the two organisations had recently agreed to explore the idea of a memorandum of understanding, and to look for opportunities to work more closely in sharing information. LTNZ stated that information flowed adequately between itself and Immigration New Zealand, which is a view supported by Immigration New Zealand.	✓
10 ... obtain as much information as possible on the criminal history (if any) of applicants with temporary immigration permits, to ensure that they are fit and proper.	Implemented		✓
11 ... require those who wish to control a taxi organisation to complete a course equivalent to the Certificate of Knowledge of Law and Practice.	Implemented.		✓
12 ... produce a fact sheet specifically for taxi drivers, that explains how drivers determine if they must hold a passenger service licence.	Not implemented	Good progress had been made in defining when a passenger service licence is required. Draft guidance for taxi drivers had been written.	✓
13 ... produce a standardised cover sheet for applications, which includes all the statutory requirements, to ensure that approved applicants meet all the statutory requirements.	Implemented		✓
14 ... establish a close relationship with the Inland Revenue Department, to help ensure that taxi drivers are aware of their tax obligations, and add references to the Inland Revenue Department's information in applicable Land Transport New Zealand fact sheets.	Partially implemented	LTNZ presentations to the taxi industry and its publications have included information about tax obligations. LTNZ staff were developing relationships with Inland Revenue Department staff.	✓
15 ... consider placing an expiry date on the certificates issued after successful completion of a passenger endorsement course.	Implemented	An expiry date on passenger endorsement course certificates or an alternative method to address this recommendation was being considered as part of the planned amendment to the Driver Licensing Rule.	✓

We recommended that Land Transport New Zealand:	Implementation status	Progress made to 5 October 2007	Was adequate progress made or planned?
16 ... review how and when passenger endorsement courses are delivered, to ensure that they: <ul style="list-style-type: none"> <li>• follow a consistent teaching method;</li> <li>• are of a consistent standard;</li> <li>• are easily audited;</li> <li>• follow a format that improves driver knowledge and compliance with obligations;</li> <li>• allow for refresher driver training after a certain period in the industry, if the Director considers it necessary; and</li> <li>• are sufficiently comprehensive.</li> </ul>	Implemented		✓
17 ... review the effectiveness of having English language ability assessed as part of the area knowledge test.	Partially implemented	Changes to the assessment of English language ability had been made, including an increase in the number of oral questions in the area knowledge test. Through the Operator Licensing Rule, it is now possible to require a driver to take an English test if they are not able to adequately demonstrate English language skills. A full review of the area knowledge test was planned for the first half of 2008.	✓
18 ... consider making the requirements relating to medical certificates the same as those that apply to eyesight checks.	Implemented	As part of the planned amendment to the Driver Licensing Rule, LTNZ was considering changing the requirements relating to medical certificates.	✓
19 ... require applicants to produce proof of the area knowledge certificates they hold when they apply for a driver identification card.	Not implemented	Changes to the Operator Licensing Rule had strengthened the requirement for approved taxi organisations to check that a driver holds an area knowledge certificate and to record this in a register. LTNZ will be able to check approved taxi organisation registers to ensure that this requirement is being met. However, this arrangement does not allow checking of area knowledge certificates at the roadside, which was the intent of the recommendation.	✓
20 ... record on the Driver Licence Register the individual numbers of area knowledge certificates when they are presented as part of an application for a passenger endorsement or driver identification card.	Not implemented	LTNZ was in the early stages of developing a register that could potentially record details of area knowledge certificates held by drivers.	✘
21 ... report, in its Statement of Intent and Annual Report, the results of audits relating to the taxi industry separate from other transport service operations.	Not implemented	The result of taxi enforcement work carried out by LTNZ and the Police was being entered into a spreadsheet where it was available for analysis. LTNZ was planning to create a taxi enforcement database in 2008/09	✓

We recommended that Land Transport New Zealand:	Implementation status	Progress made to 5 October 2007	Was adequate progress made or planned?
22 ... establish a scale for differentiating between audits of varied size, and reflect this in its Statement of Intent.	Intent of recommendation implemented	A system for establishing a scale for differentiating between audits of varied size had been established. There was no reflection of this in the Statement of Intent, but basic quantitative data on these activities was being reported internally.	✓
23 ... review the number of random roadside audits it conducts of taxi drivers.	Implemented		✓
24 ... regularly assess the fitness and propriety of those who have control of taxi organisations.	Intent of recommendation implemented	As part of its preparation for implementing the Operator Licensing Rule, LTNZ reviewed its investigation and roadside inspection standards for approved taxi organisations. If and when an investigation was required, the fitness and propriety of a person in control of an approved taxi organisation was being reassessed as part of that process.	✓
25 ... regularly communicate best practice guidance, and provide up-to-date information about changes relevant to the taxi industry.	Partially implemented	Good progress had been made. LTNZ was holding regular meetings with approved taxi organisation managers, which provided opportunities to discuss current issues in the taxi industry and changes to taxi requirements. LTNZ had created advisory staff roles to improve communication with the industry. Appointment of another staff member to plan communications with the industry and the public was under way.	✓
26 ... ensure that taxi organisations report certain serious complaints to it.	Implemented		✓
27 ... explore options for incorporating commercial demerit point offences within the general licence demerit points system.	Implemented		✓
28 ... undertake compliance activity to address economic risks, including working with the Inland Revenue Department where appropriate.	Partially implemented	Taxi enforcement officers were to carry out some work intended by this recommendation. LTNZ staff were developing relationships with Inland Revenue Department staff.	✗
29 ... work with the CVIU [Commercial Vehicle Investigation Unit] to compare information gathered from their respective audits and on-road inspections with records kept by taxi organisations.	Partially implemented	Good progress had been made to co-ordinate the data collected by LTNZ and the Police as part of roadside inspections. However, there was no evidence that this information was being used to inform the audit and review of approved taxi organisation records.	✓
30 ... regularly assess the fitness and propriety of passenger service licence holders.	Not implemented	Legislation requires that passenger service licence holders are fit and proper at all times. However, the fitness and propriety of passenger service licence holders was still only being assessed once, when the person applied for the passenger service licence (unless the person was also a holder of a passenger endorsement).	✗

We recommended that Land Transport New Zealand:	Implementation status	Progress made to 5 October 2007	Was adequate progress made or planned?
31 ... and the Police investigate options for the formal and regular notification of taxi drivers who are charged or convicted of serious offences, to Land Transport New Zealand.	Partially implemented	LTNZ had discussed and raised awareness with the Police about providing information to LTNZ about any passenger endorsement holders charged with a serious offence whom the Police considered should be suspended from driving. However, there was no formal method for the Police to notify LTNZ when a taxi driver committed a serious offence. It is considered that a formal system using the Police information systems would be difficult and expensive to implement. Although this recommendation has not been implemented, the annual mandatory vetting of taxi drivers (as part of regular fit and proper person checks for passenger endorsement holders), and the new Land Transport Act 1998 provision (section 29A), that prohibits a person convicted of a serious offence from holding a passenger endorsement, minimises the likelihood of taxi drivers charged or convicted of serious offences continuing to drive for any length of time.	✓
32 ... ensure that it provides information to the Police about drivers whose licence or endorsement has been suspended or revoked.	Implemented		✓
33 ... monitor the frequency of non-notification of serious offences committed by taxi drivers, as discovered in the annual reassessment of fitness and propriety or from other sources, and use this information to improve notification rates.	Not implemented	Given that this recommendation would be relatively easy to implement, we expected more progress. LTNZ intended that monitoring approved taxi organisations' non-notification to LTNZ of serious offences committed by taxi drivers would be part of a review process of approved taxi organisations that LTNZ was preparing. However, there were no plans to assess the extent of non-notification by the Police, which was the intent of the recommendation.	✗
34 ... require taxi organisations and passenger service licence holders to notify it of any offences by taxi drivers that they become aware of.	Implemented		✓
35 ... educate taxi organisations about their responsibility to ensure drivers have appropriate work permits.	Implemented		✓
36 ... and the New Zealand Immigration Service clarify their respective responsibilities in relation to monitoring work permits for licensing purposes, and ensure that immigrants without current permits cannot drive a taxi.	Not implemented	LTNZ and Immigration New Zealand had not clarified their respective responsibilities, but had met on several occasions to discuss work in this area. The two agencies had agreed that educating approved taxi organisations and passenger service licence holders about their responsibilities was the best way to address this issue.	✗
37 ... review the work status of applicants who were on temporary work permits when approved for a passenger endorsement when they apply to renew their endorsement.	Implemented		✓

We recommended that Land Transport New Zealand:	Implementation status	Progress made to 5 October 2007	Was adequate progress made or planned?
38 ... record details of temporary permits, including when the permit expires and how many hours a person may work, to allow it to monitor the performance of taxi organisations and passenger service licence holders, gather information about drivers, and ensure that drivers comply with their permits.	Not implemented	LTNZ was intending to introduce a system whereby a note would be recorded in its systems for applicants on a work permit, which would prompt LTNZ staff to check the work permit status when processing renewals. A policy change now means that a person must hold a full New Zealand driver licence for two years before they can apply for a passenger endorsement. This policy should reduce the number of taxi drivers on a work permit. Under the Operating Licensing Rule (clause 8.5(1)(o)), information on hours of work will be kept by approved taxi organisations, and LTNZ will be able to check the information.	✘
39 ... confirm, through audits, that taxi organisations and passenger service licence holders gather and maintain information about the work status of drivers and, for taxi organisations, its members.	Not implemented	LTNZ was intending to take an educative approach to ensuring that approved taxi organisations and passenger service licence holders gather and maintain information about the work status of drivers. LTNZ was planning to ensure that information prepared for the taxi industry contained a reminder of the responsibility of various parties to maintain information about the work status of drivers and approved taxi organisation members.	✘
40 ... ensure that expired driver identification cards are surrendered at expiry, or when a replacement card is provided.	Partially implemented	Part 13 of the Driver Licensing Rule contains provision for the Director of Land Transport to require driver identification cards to be surrendered as required. Issues around the surrender of driver identification cards were being considered as part of the planned Driver Licensing Rule amendment. The Operator Licensing Rule (clauses 2.5 and 2.6) provides tighter rules for replacing driver identification cards.	✓
41 ... enlarge, or otherwise make more prominent to passengers, the expiry date on driver identification cards, and require drivers to display their card in a prescribed place to ensure that it is visible to passengers.	Implemented		✓
42 ... ensure that, when considering renewal applications, it examine whether complaints have been made about the driver to Land Transport New Zealand or to the driver's taxi organisation.	Implemented	Any complaints received by LTNZ were being recorded in its files, which were checked before a passenger endorsement was renewed. LTNZ was not checking complaints held by approved taxi organisations, but, under the Operating Licensing Rule (clause 8.5(1)(m)), all complaints made to approved taxi organisations of a serious nature should be reported to LTNZ within 48 hours.	✓
43 ... seek an amendment to the Land Transport (Driver Licensing) Rule 1999 to allow it to suspend the approval of a driver licence course provider.	Not implemented	Implementation of the recommendation was being considered as part of the planned amendment to the Driver Licensing Rule.	✓

We recommended that Land Transport New Zealand:	Implementation status	Progress made to 5 October 2007	Was adequate progress made or planned?
44 ... seek an amendment to clause 103 of the Land Transport (Driver Licensing) Rule 1999 to allow it to revoke the approval of a driver licence course provider on the grounds set out in its contract with approved driver licence course providers.	Not implemented	Implementation of the recommendation was being considered as part of the planned amendment to the Driver Licensing Rule.	✓
45 ... and the New Zealand Road Transport and Logistics Industry Training Organisation clarify their respective monitoring roles.	Implemented		✓
46 ... review whether appropriate priority is given to monitoring of, and enforcing compliance by, the providers of passenger endorsement courses.	Implemented	The capacity of the section of LTNZ that monitors course providers had been reviewed and changes had been made. The passenger endorsement course must now be based around the competencies described in a unit standard and be delivered by recognised course providers. This change will reduce the number of course providers, and increase LTNZ's scrutiny of passenger endorsement courses.	✓
47 ... review whether appropriate priority is given to monitoring of, and enforcing compliance by, the providers of area knowledge courses.	Partially implemented	A number of positive changes had been made in this area, including moving the responsibility for enforcing and monitoring area knowledge certificate providers within LTNZ. The area knowledge certificate test had also been tightened. LTNZ was planning to re-evaluate area knowledge certificate test procedures within 12 months, with a view to moving to a single test provider. This change would fully implement the intent of the recommendation.	✓
48 ... establish a method for communicating best practice to course providers.	Not implemented	The recent filling of a staff vacancy should allow this recommendation to be implemented.	✓
49 ... modify the driver identification card to include details of the driver's area knowledge certificate(s).	Not implemented	Inclusion of area knowledge certificate details on a driver identification card is a significant system change and requires the development of a register that can record area knowledge certificate details. This register was in the early stages of development. The Operator Licensing Rule strengthened the requirement for approved taxi organisations to check that a driver holds an area knowledge certificate and to record this in a register.	✓
50 ... consistently check whether a driver has, or is operating under, a passenger service licence, using the checklist and questionnaire available.	Not implemented	Good progress had been made. Enforcement guidelines for staff and advice for approved taxi organisations on the rules to be applied when determining whether a passenger service licence is required were almost complete. The Operator Licensing Rule requirement to display the passenger service licence number on the vehicle will allow taxi enforcement officers to enforce the passenger service licence requirement during roadside inspections.	✓

We recommended that Land Transport New Zealand:	Implementation status	Progress made to 5 October 2007	Was adequate progress made or planned?
51 ... require drivers to have evidence in their taxi of their passenger service licence, or the one they are operating under.	Implemented		✓
52 ... and the Police clearly define their respective responsibilities for audit and enforcement activities.	Implemented		✓
53 ... ensure that staff follow a consistent induction process, in line with the induction policy.	Implemented		✓
54 ... prepare guidelines to promote a nationally consistent and principled approach to the exercise of discretion, that includes a concise summary of relevant principles from case law.	Implemented		✓
55 ... ensure that compliance staff use the checklist in the <i>Compliance Officers' Resource Manual</i> for passenger service licensing for assessing an applicant's fitness and propriety.	Implemented		✓
56 ... staff be encouraged to use the resources available when making decisions (including the <i>Compliance Officers' Resource Manual</i> for passenger service licensing and the resources referred to in it), and that programmes be established to regularly refresh staff knowledge of the applicable case law.	Implemented		✓
57 ... prepare a prosecution policy, based on the Crown Law Office's <i>Prosecution Guidelines</i> , to ensure that regional offices take court action appropriately and consistently.	Not implemented	<p>LTNZ did not have a policy for taking enforcement action or prosecutions in response to issues discovered as part of its investigations of approved taxi organisations. LTNZ intended that taxi enforcement officers would use the Police policy for taking enforcement action in response to issues found at roadside inspections.</p> <p>The Police advise that their policy is based on the <i>Prosecution Guidelines</i>. However, our recommendation was not limited to roadside inspections. We still consider the prosecution policy to be necessary.</p>	✘

We recommended that Land Transport New Zealand:	Implementation status	Progress made to 5 October 2007	Was adequate progress made or planned?
58 ... adopt a formal method for peer review of the Compliance Section's exercise of its statutory discretion, outside the Regional Compliance Officer meetings.	Partially implemented	The process for peer review of decisions had been improved, but still needed to be formalised.	✓
59 ... <ul style="list-style-type: none"> <li>• review where monitoring and enforcing compliance of the taxi industry fits in with its other priorities;</li> <li>• consider how that priority relates to its objective, set out in section 68 of the Land Transport Management Act 2003;</li> <li>• review its monitoring of the industry, and consider how much monitoring is needed to foster a culture of "willing compliance"; and</li> <li>• assign sufficient resources accordingly.</li> </ul>	Implemented		✓
60 ... consider options for raising consumer awareness about what to expect from a taxi service.	Not implemented	LTNZ was recruiting a staff member to allow it to implement this recommendation.	✘
61 ... review its provision of complaints information for taxi passengers, to ensure it is simple and easy for consumers to lodge a complaint.	Partially implemented	Information on the action to take if customers want to make a complaint had been added to the LTNZ website. LTNZ was recruiting a staff member to allow it to implement this recommendation.	✓

## Glossary

An **area knowledge certificate** is a certificate that taxi drivers in some areas must hold to prove they know how to get to and from major locations.

An **approved taxi organisation** is an entity that manages a fleet of taxi vehicles.

A **Certificate of Knowledge of Law and Practice** is a prerequisite for obtaining a transport service licence; the aim is to ensure that people controlling transport services (including passenger services) know the laws that apply to their industry.

A **passenger endorsement holder** is a person qualified as a taxi driver.

A **passenger service licence** is a licence issued by LTNZ. Everyone who wants to drive a taxi has to hold a passenger service licence, or be employed by an entity or person who holds one.

The **Driver Licensing Rule** refers to the Land Transport (Driver Licensing) Rule 1999.

The **Operator Licensing Rule** refers to the Land Transport Rule: Operator Licensing 2007.