



**Queensland
Government**
Queensland Transport

Taxi and Limousine Development Discussion Paper



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DISCUSSION PAPER – TAXI AND LIMOUSINE DEVELOPMENT

1. Background

In 1995, Queensland entered into the Competition Principles Agreement (CPA) with all other States and Territories and with the Commonwealth. The CPA is one of three agreements making up the National Competition Policy (NCP). The Agreement sets out some of the things that Queensland must do in order to comply with its obligations under the NCP.

The adoption of the CPA by all states and territories in 1995 led to a review of the Transport Operations (Passenger Transport) legislation. The review commenced in December 1998 and was undertaken by a review committee comprising officers from Queensland Transport, Queensland Treasury and the Department of the Premier and Cabinet. The review examined restrictions on competition in the urban scheduled passenger services, taxi, limousine and air services industries.

The terms of reference for that review required that the review committee consult with and call for submissions from interested stakeholders. The review committee invited written submissions from interested stakeholders and the public. Some 720 people or organisations were provided with copies of the issues paper to assist them in making submissions to the review. In addition, the review committee held public and confidential hearings and visited public transport operators.

To supplement the information obtained from consultation that was undertaken, the review examined the outcomes of different regulatory regimes overseas and reviewed the theoretical literature on different modes of public passenger transport.

2. Purpose

This paper has been developed to promote discussion between Queensland Transport, industry stakeholders and the community and is not a final policy position. Queensland Transport has developed the paper from a government perspective and now seeks input and feedback from industry and the general public on the implementation options before any final decisions are made.

The report completed by the review committee was made available to the public on completion of the review. In August 2003, government considered the outcomes of the review and decided that 12 recommendations be approved as initiatives for enhancing taxi and limousine services in Queensland. These recommendations were distributed to industry stakeholders in a fact sheet in September 2003. This discussion paper explains these initiatives in some detail and examines the outcomes for the community, industry and Queensland Transport. It then outlines options for implementation of these initiatives and discusses the implementation approach.

This paper is for discussion purposes only and does not reflect government policy.

This provides all stakeholders a unique opportunity to contribute to and be part of shaping the future development of the taxi and limousine industries in Queensland and to build upon the high level of services already provided.

Queensland Transport notes that an opportunity is presented here to position the taxi and limousine industry for their role in the future task of moving people and connecting communities. We are therefore particularly seeking comment in the context of the direction for the industry over the next 10 years.

3. The Consultation Process

This paper is the initial step in consultation and discussion about the development of the taxi and limousine industries.

The consultation period will close on 31 July 2004.

Submissions from all interested parties are welcome and information about how to make a submission is included on page 25 of this paper.

Queensland Transport will undertake further consultation with the taxi and limousine industries and the general public through a series of meetings to be held throughout the state.

4. Future Direction for the Taxi and Limousine Services in Queensland

The taxi and limousine industries are an important and integral part of the passenger transport system in Queensland. They provide a door to door alternative to the 'mass people moving' options such as buses and trains. They also provide a chauffeur driven alternative to the self driven car as well as providing a fast and efficient service for business people. The use of taxis and limousines for meeting the travelling needs of tourists is also becoming more common. For some people taxis are their main transport option.

Taxi and limousine services will play an even more important role in transporting people in coming years. Some of the factors driving demand for personalised transport will be:

- travel patterns will become even more diverse
- populations in the South East corner and major provincial cities will continue to grow
- aging of the overall population in Queensland
- strong growth in business related travel
- strong growth in the tourism industry
- business travellers expecting access to fast and efficient transportation services
- the demand for transport services from people with limited access
- younger consumers looking to innovation that technology can provide in determining transport choices
- casualisation of the workforce and more flexible working arrangements
- more affordable airfares for intercity travel.

Greater flexibility is also required to address particular needs. For example, transport arrangements for students with a disability under the School Transport Assistance Scheme and community transport are giving consideration to and moving towards contracting with operators for smaller, more flexible passenger carrying services to meet changing demands and expectations within the education and community transport sectors.

Queensland Transport's capacity to contract with taxi booking companies to bring about further service improvements also needs to be increased.

How the taxi industry works has changed in recent years. Technology such as global positioning systems gives taxi booking companies the capacity to coordinate a large number of vehicles and to respond quickly to a large number of bookings. But some aspects of the current regulatory system reflect a time when individual drivers owned their taxi and made their own decisions about when and where to provide services.

Service contracts for taxi booking companies were introduced in 1994 because of the increasingly important role played by booking companies in coordinating and managing taxi services. While drivers and licence operators still have some influence over what jobs to accept and where to provide services, booking companies are in the best position to understand demand and to manage the delivery of services to the community to meet that demand in a timely manner.

The model for the future presented by these recommendations is an evolution of the existing regulatory structure in which booking companies are required to meet performance standards under service contracts. As more and more responsibility for meeting performance levels is given to booking companies, they will need more flexibility to address their business needs and the ability to manage the performance of their fleets.

At the same time the booking companies will be held accountable for effectively using taxi operators and drivers within their company to deliver improved levels of service for the community.

Unlike taxis which provide demand responsive services, limousines service the wedding, funeral and special event markets. These also provide personalised transport services for customers such as business people, banks, airline employees and war veterans to hospitals.

It is proposed that limousines continue to provide luxury and specialty services. The direction proposed in this paper will allow the community to make use of a wider range of high luxury and specialty vehicles because it is proposed that certain classes of vehicles will no longer require a licence to operate.

5. Taxi & Limousine Industry Review Approved Recommendations

The following recommendations have been approved by the Queensland government for implementation. This discussion paper explores options for how these initiatives will be implemented.

TAXI SERVICES

- 1 It is recommended that the government continues to issue taxi service licences and to set at least the minimum number of licences in a taxi service area by reference to taxi booking companies' performance in meeting the waiting time criteria specified in service contracts. These criteria should also be reviewed before the end of the term of the existing service contracts to ensure they remain relevant to the needs of the community.
- 2 It is recommended that the government continues with the general direction of the reform agenda first introduced in 1994 by progressively allowing companies greater control over the resources needed to provide taxi services to the community while at the same time requiring them to take more responsibility for those services.
- 3 It is recommended that the government amends the Transport Operations (Passenger Transport) Act to introduce a system of penalties for companies that fail to meet the terms and conditions of their service contracts (including minimum service levels).
- 4 It is recommended that the government considers amending the Transport Operations (Passenger Transport) Act to allow for alternative means of issuing licences (either in addition to or in replacement of the existing means of selling new licences by public tender). In particular, consideration should be given to the government having the ability to lease licences directly to companies or to others under certain conditions.
- 5 It is recommended that the government consider, at least on a trial basis, allowing a more flexible approach to the operation of taxi service areas by removing restrictions on taxis providing services in areas for which they are not licensed but retaining and strengthening the ability of a booking company to direct affiliated operators and drivers to provide services within the area specified in the booking company's service contract.
- 6 It is recommended that the government considers amending the Transport Operations (Passenger Transport) Act to allow for the establishment of trial areas to allow proposed reforms to be properly evaluated and assessed prior to their adoption on a state wide basis.

LIMOUSINE SERVICES

- 7 It is recommended that the government retains limousine licensing for those sectors of the limousine industry that compete with taxis but that licences be made available from Queensland Transport for either a once off or annual fee that reflects the value of licences.
- 8 It is recommended that the government considers amending the Transport Operations (Passenger Transport) Act 1994 to allow for the operation of stretch, high luxury, speciality, veteran and classic vehicles without a requirement to hold a limousine service licence. Operators of these vehicles would be free to operate in much the same way as operators of tourist or charter services who are not required to be licenced but are required to hold operator accreditation and to submit their vehicles to six monthly safety checks.
- 9 It is recommended that the government considers amending the Transport Operations (Passenger Transport) Act 1994 and the Transport Operations (Passenger Transport) Regulation 1994 to remove the requirement for tours provided in passenger cars to be provided under a taxi service or limousine service licence.
- 10 It is recommended that Queensland Transport amalgamates the existing limousine service areas and allows limousine operators to provide services anywhere in the state.
- 11 It is recommended that the government consults with the limousine industry and other stakeholders such as the taxi industry about appropriate transitional strategies and pathways to reach the desired regulatory outcomes.
- 12 Irrespective of the implementation path chosen, it is recommended that the government considers amending the Transport Operations (Passenger Transport) Act 1994 to allow for the leasing of limousine service licences.

6. Initiatives, Options and Implementation

The following section of the discussion paper examines the initiatives approved for taxi and limousine development in Queensland.

6.1 TAXI INDUSTRY

6.1.1 Continuing Regulation

Initiative 1

The government will continue to issue taxi service licences and to set at least the minimum number of licences in a taxi service area by reference to taxi booking companies' performance in meeting waiting time criteria specified in service contracts. These criteria should also be reviewed before the end of the term of the existing service contracts to ensure they remain relevant to the needs of the community.

Current Situation

Every taxi in Queensland must operate under a taxi service licence issued by Queensland Transport. All communities with over 10,000 people are serviced by one or more taxi booking companies. All taxis in these communities are required to affiliate with a taxi booking company which has a contract with Queensland Transport to meet particular service levels, such as waiting time standards.

Queensland Transport also establishes the number of taxis for an area using a variety of criteria including waiting time performance.

There are currently 26 contract areas throughout the state with a total of 2688 taxis affiliated with these contract holders. A full breakdown of the structure of the taxi industry in Queensland is contained in Attachment 1.

The contracts exist to ensure that the public receive the appropriate level of service. However, the assessment of how well the taxi booking company is meeting the terms of its service contract depends on the quality of the information provided by the taxi booking company. Some aspects of reported information that Queensland Transport would like to review and improve are:

- telephone waiting times
- dropout rates/failure to answer calls
- quality and completeness of performance reports
- data validation
- complaint management.

What does the Initiative Mean?

The initiative means that the government will continue to regulate taxi services. However the next round of contracts, which are now due to be negotiated, are proposed to be amended to include:

- changed minimum service levels
- improvements in monitoring processes and the quality and range of performance information reported by taxi booking companies.

Options

It is proposed to bring about these improvements by including the following in the next generation of taxi service contracts.

- measuring and benchmarking all elements of bookings – telephone waiting times, dispatch times and rank surveys
- introduction of minimum service levels for telephone waiting times
- improved linkages between complaints and reporting, particularly for fringe areas.

To coincide with enhanced contract reporting, Queensland Transport proposes to implement ongoing programs for analysing and publishing state wide performance results.

The Taxi Council of Queensland is currently reviewing a draft of the new generic second generation taxi service contract. In the meantime, interim short term taxi service contracts are being put in place for taxi booking companies as existing contracts fall due for renewal. These contracts will be converted to second generation taxi services contracts in the near future when the content of the new contract has been finalised.

Impacts on Industry

Under this proposed option the following will occur

- The taxi industry will have the certainty that regulation will continue.
- The taxi industry will be more accountable for its performance and the level of service it provides.
- Queensland Transport will include better auditing and reporting processes in the next round of taxi service contracts.

Feedback Question 1

What do you think are the most important service standards for taxis to ensure the services meet the expectations of the community?

6.1.2 More Flexibility and Responsibility

Initiative 2

The government will continue with the general direction of the reform agenda introduced in 1994 by progressively allowing companies greater control over the resources needed to provide taxi services to the community while at the same time requiring them to take more responsibility for those services.

Current Situation

At present, taxi booking companies have only limited ways to respond quickly to changes in demand, especially for once off or short term peak demand. They have little control over some important resourcing decisions such as the ability to expand fleets (the review and public tender process for getting more taxis on the road takes at least four months).

What does the Initiative Mean?

Taxi booking companies are the hub of the taxi system. They are in the best position to identify changes in demand for taxi services and to service that demand. So it is sensible for

those taxi booking companies to have more flexibility and control over the resources than they currently have so they can continuously improve taxi services and meet increased service levels into the future.

For this approach to be successful taxi booking companies need more than just the capacity to respond – they also need the incentive to improve taxi services to the community. There are currently ways for the taxi booking companies to offer more flexible services and Queensland Transport would prefer to see the industry more readily embrace innovative service provision in the same way the industry has embraced innovations in technology. The companies also need to ensure that the important role played by other groups in the taxi industry such as drivers and operators is recognised at all times.

While more taxis may be needed at some times, this is not necessarily a solution if some vehicles are off the road because drivers can't be found to drive them. In other words, the resources need to be managed efficiently.

One of the big challenges facing the taxi industry and their customers is meeting peak demand during large special events (i.e. New Year's Eve,) on Friday afternoons and early Sunday mornings when waiting times for taxis can be unacceptably long (information available to the department suggests that waiting times for a taxi can be up to 2 hours during these periods). At most times there are sufficient taxis to ensure that waiting times are within the limits agreed to in the contracts. During the recent Rugby World Cup, taxis and limousines carried an average of 5% (2170 people) of the crowd to each game at Suncorp Stadium. The transport system met the challenge because the different modes of transport (taxi, bus, rail) worked together to get the crowds in and out of the venues quickly. This cooperation meant that taxi demand was not a problem during the Rugby World Cup.

In addition operators in smaller taxi service areas, where booking companies do not exist, have difficulties in servicing their communities if there is an unusual peak in demand or if a vehicle is unserviceable.

Options

- Queensland Transport proposes to consider leasing additional licences to enable taxi booking companies to expand fleet size up to an approved 'ceiling'.
- Licences might be issued or leased to taxi booking companies for short periods under the following circumstances:
 - the company cannot meet minimum service levels
 - when demand is expected to exceed supply for a particular period (for example, New Years Eve, international events)
 - the company can satisfy Queensland Transport that the fleet is being fully utilised at that time
 - the licences will be non-transferable.
- Permits for a particular term may be used as above instead of licences.
- Queensland Transport proposes to consider leasing additional licences to operators other than taxi booking companies for use in the areas with the identified need.
- The government will investigate the capacity to allow underutilised taxis in nearby taxi service areas to be used to deal with short term peaks in demand, eg international football games.
- The government may require taxi companies to provide a plan for addressing expected peaks before they occur.

Feedback Question 2

Which of the options above would be most practical in meeting short term peaks in demand for taxis?

Why?

Impacts on Industry

- Taxi booking companies will have the flexibility to meet once off and short term demand peaks (e.g. special events, late at night on weekends).
- Minimum service levels will be easier to satisfy.
- Operators in non-contract areas will have greater certainty that they can receive the benefits of their efforts to develop their business.

Impacts on the Community

- Extra taxis will mean shorter waiting times in periods of increased demand.

Impacts on Queensland Transport

- Queensland Transport will develop a procedure for leasing taxi service licences or for releasing permits for a specified term.

Feedback Question 3

How should short term or part time licences be issued to allow the taxi industry to better meet public demand during peak periods or for international events?

Feedback Question 4

In what other ways could taxi booking companies more effectively manage resources (drivers, vehicles and so on) to meet public demand in a timely manner?

6.1.3 Performance Management

Initiative 3

The government will amend the Transport Operations (Passenger Transport) Act to introduce a system of penalties for companies that fail to meet the terms and conditions of their service contracts (including minimum service levels).

Current Situation

The taxi companies and Queensland Transport work in partnership to ensure that high quality services are delivered to the public. But, as with most contractual arrangements, the Government needs to have powers to ensure its conditions are met. This amendment was undertaken as there were very few options open to Queensland Transport for a breach of contract provisions (regardless of the seriousness of the breach). It was only possible to seek rectification of the breach, cancel the contract or take no further action. No monetary penalty could be imposed for a breach of contract provisions.

The Act was amended in 2002 to give Queensland Transport the power to apply penalties for breaches of contract provisions. The details of how the penalties are proposed for application are being negotiated as part of the new version of the taxi service contracts.

What does the Initiative Mean?

Under this proposal Queensland Transport will have the power to impose monetary penalties if a taxi booking company fails to meet its obligations under a contract or breaches a provision of the contract.

There is a legislative requirement that taxi booking companies must hold operator accreditation (OA) but currently there are no specific OA provisions for taxi booking companies. The purpose of OA is to encourage high quality services by raising standards and holding operators accountable for complying with those standards which might include vehicle standards, fatigue management and customer service. OA provisions for taxi booking companies would complement the penalty system and could also cater for areas without taxi service contracts.

Queensland Transport issues fact sheets which set out the current standards to be met by taxi booking companies, operators and drivers in providing a taxi service. These fact sheets are available to the public on the Department's internet site and cover topics such as fares, taxi subsidy scheme, driver training, driver English assessment and fatigue management.

Most states have a similar range of information and make it available on their internet sites. Victoria has recently introduced a Customer Charter for Taxi Services which covers the rights and responsibilities of both passengers and drivers. This is published on the internet and a summary is displayed in every taxi vehicle. New South Wales has a page on its internet site called 'Guide for Taxi Passengers' which also details the rights and responsibilities of passengers. Queensland, Western Australia and South Australia have waiting times included as part of the taxi service contract and are used to monitor the performance of the taxi companies. Victoria is currently developing waiting time standards. However, this waiting time information is not publicly available in any of these states.

Options

- Amendments to the legislation have already been made and changes proposed by Queensland Transport to the form of contracts are currently being reviewed by the

Taxi Council of Queensland. It is proposed to develop specific OA provisions for taxi booking companies.

- It is also proposed to publish a service charter to inform the public about the standards they should expect from taxi services and their responsibilities when using a taxi.

Impacts on Industry

- Taxi booking companies will be expected to pay close attention to their performance and will be liable for penalties if performance standards are not met.
- Taxi booking companies may suffer financial penalties.
- Repeat infringements by taxi booking companies could ultimately lead to the termination of the contract.
- It is anticipated that the ability for Queensland Transport to impose monetary penalties on taxi booking companies for non performance will improve current behaviour practices by some taxi booking companies

Impacts on the Community

- The community will be more likely to receive the level of service agreed in the service contracts.
- The community would have more information about what level of service they can expect from taxis.

Feedback Question 5

Queensland Transport is developing specific operator accreditation standards for taxi booking companies and other booking services. What standards should apply to taxi booking companies and booking services in their dealings with the public, vehicle operators and drivers?

6.1.4 Flexibility for Licencing

Initiative 4

The government will amend the Transport Operations (Passenger Transport) Act to allow for alternative means of issuing licences (either in addition to or in replacement of the existing means of selling new licences by public tender). In particular, consideration should be given to the government having the ability to lease licences directly to companies or to others under certain circumstances.

Current Situation

Taxi service licences are currently issued for 5 years and must be reviewed for successive 5 year terms if the conditions imposed on the licences are complied with by the holder. A taxi service licence may be renewed for a shorter term if the holder asks for a shorter term.

The current licensing system makes it mandatory for all new taxi service licences to be issued by public offer with the price being that offered by the market. Queensland Transport is not obliged to accept any offer. These requirements do not allow a quick response to increased demand.

There has also been concern expressed in some smaller regional communities that a person who has worked to increase business in a small market must chance the entry of others due to the public offer process. This system provides little incentive for business growth.

What does the Initiative Mean?

The initiative aims to give Queensland Transport more options in issuing licences so that the industry can respond more readily to peaks and growth in demand.

Options

- It is proposed to amend the legislation to provide a head of power for the Passenger Transport Division of Queensland Transport to issue Taxi Service Licences through either public offer or by other means. For example, direct to a taxi booking company or existing operators in non contract areas if either can establish a need for greater resources either through performance review or forecasted peaks in demand.

Impacts on Industry

- Under this proposal leasing licences will enable the taxi fleet to expand and contract much more quickly than is now the case which may help taxi booking companies respond better to demand shifts and reduce waiting time for passengers.
- Leasing licences direct to taxi booking companies would provide them with the flexibility to respond to the need to introduce further taxis to meet demand requirements and other circumstances where the injection of additional vehicles may be required.
- Waiting times are the most important element of taxi system performance and public opinion about taxis. As waiting times are improved the industry will ultimately benefit from increased patronage as more customers have greater confidence in supply especially during peak periods.
- Leasing licences from the Government for an annual or monthly fee will provide an alternative to buying a licence or leasing one in the commercial market. This may have the effect of suppressing the rising cost of buying or leasing which will result in reduced costs for industry and may ease pressure for larger fare increases. This will further help to make taxi services more attractive.
- The opportunity to lease additional licences will allow smaller operators in non contract areas to build their market confident that their efforts will not be negated through the entry of opportunistic competition fostered by the public offer process.
- Depending on the rate set by Government, an annual fee or leased licences may cause a reduction in value of existing perpetual licences.

Impacts on Queensland Transport

- The leasing of licences would require legislative change.
- The process for setting lease fees would need to be established.
- Leases will require more intensive management in comparison with perpetual licences.

Impacts on Community

- A lease option may make it more viable for operators to develop the market and so provide the public with a greater choice of services especially in some smaller areas where current requirements make additional operations unviable.

- An annual fee or lease fee would not provide the same bonding effect that a once off fee has, and so less scrupulous operators may enter the market as they have little to risk if action is taken against them.

Preferred Option

- Amend the legislation to provide for Queensland Transport to issue Taxi Service Licences through either public offer or direct to a taxi booking company or to existing operators in non contract areas. This would occur when the need for greater resources is established either through a performance review or forecasted peaks in demand.
- Introduce a leasing scheme as an option to the issue of additional perpetual licences.
- A fair price for leasing of licences or for additional perpetual licences issued outside the public offer process be set by Queensland Transport with an annual review or automatic increases in line with CPI as with other government charges. In addition to CPI increases the level set for leasing of licenses may also be influenced by other factors such as fare levels that prevail from time to time.

Feedback Question 6

What people or organisations should be eligible to lease a taxi service licence?

Under what circumstances should the government lease a taxi service licence to

- ◆ a booking company?
- ◆ an operator?
- ◆ an experienced driver?

Should leases be transferable?

For how long should leases be issued?

We are also interested in your views about how lease fees should be established. Should they be set by

- ◆ Queensland Transport based on independent advice?
- ◆
- ◆ Queensland Transport based on a percentage of averaged perpetual licence values?
- ◆ market forces (based on competitive bidding)?

6.1.5 Cross Boundary Operations

Initiative 5

The government will consider, at least on a trial basis, allowing a more flexible approach to the operation of taxi service areas by removing restrictions on taxis providing services in areas for which they are not licensed but retaining and strengthening the ability of a booking company to direct affiliated operators and drivers to provide services within the area specified in the booking company's service contract.

Current Situation

Taxi operators and drivers are restricted from providing services in areas other than the one for which they are licensed, except where the journey is considered as part of a single hiring.

The legislation does provide that a single hiring may encompass more than one taxi area if the hirer requests that the taxi wait for him/her. This would be seldom used by the public who would not be aware of the provision.

What does the Initiative Mean?

Under this initiative it is proposed that Taxi booking companies, operators and drivers will be able to provide services in areas other than their licensed area subject to the oversight of the taxi booking company to which they are affiliated.

Options

- Amend the legislation to provide for Queensland Transport to approve out of area operations for taxis in certain circumstances; or
- Amend the legislation to provide for taxi drivers to accept any hiring that either originates or finishes within the area for which they are licensed; or
- Amend the legislation to provide for Queensland Transport to approve operations in more than one licensed area by an endorsement on the licence.

Whichever option is chosen the terms and conditions of the booking contract should make it explicit that a company can disaffiliate any operator that does not comply with its directions to provide services in an area for which it is contracted. Once advice of disaffiliation is received, Queensland Transport can suspend the taxi service licence until the operator is again affiliated or cancel the taxi service licence.

Impacts on Industry

- The use of widely advertised phone numbers for taxis (such as 131 008 or 131 924), the proliferation of mobile telephones and on-line booking services, further raise the potential for the public to request services from companies not contracted to operate in a particular area.
- The practice of customers ringing operators or drivers directly on their mobile phone undermines the ability of taxi booking companies to allocate vehicles on an equitable basis. All calls received by operators or drivers need to be referred to taxi booking companies so that they are aware of the timing of the job and can factor this into their allocation of other taxis to meet customer requests.
- The amalgamation of licensed areas can result in taxi operators and drivers concentrating their efforts in areas where returns are greatest, giving rise to supply problems.
- Ensure that cross boundary servicing is done on an equitable basis and that such operations are only allowed in cases where the taxi service licences have a similar value.

Impacts on the Community

- The public can find it difficult to understand that a taxi from one area can provide the forward part of a journey but not the return journey, especially if the destination for the journey is close to a shared boundary. This change will overcome that confusion and improve services.

- The use of mass media marketing by taxi companies reaches markets across boundaries especially in the rapidly developing south-eastern corner of the state. For example, advertising for the taxi company using 131008 will reach people living in Redcliffe and Ipswich but the taxi companies in these areas do not use that number.

Preferred Option

The preferred option is to allow the public the choice of a taxi booking company irrespective of the point of origin, that is, a driver or operator is able to provide services in any area as a result of a pre-booking through their affiliated company. The company would be required to report such bookings as part of their reporting and so would allow Queensland Transport to assess true demand in any area.

To ensure that a proliferation of 'out of area' operators do not occur in any given market, the reforms should be introduced slowly with initial operations restricted to bookings that originate or terminate in the designated licensed area. Amendment of S74AB (3) of the Act is required.

Once market values of licences in any two contiguous areas are equal (say within 15%) the areas should be amalgamated if the amalgamation provides a benefit to the travelling public. For example, a significant number of cross border journeys or better use of resources by taxi booking companies.

Feedback Question 7

Should taxi users be allowed to choose their preferred taxi company even if the user is not in that company's contracted area?

Should adjoining taxi areas be amalgamated when taxi licence values become the same in both areas? What impacts would this have on consumers and on the taxi industry?

Under what conditions should taxis be able to operate in areas other than their own?

Do you foresee any difficulties arising from allowing taxis to operate outside their contracted service area?

6.1.6 Trial Areas

Initiative 6

The government will amend the Transport Operations (Passenger Transport) Act to allow for the establishment of trial areas to allow proposed reforms to be properly evaluated and assessed prior to their adoption on a statewide basis.

Current Situation

There is no legislative provision to enable the department to trial initiatives prior to implementation.

What does the Initiative Mean?

It is proposed that the department creates a legislative environment where initiatives can be trialled prior to their introduction on a statewide basis. It is envisaged that this would encompass all types of public passenger services, not just taxis and limousines.

This would be a useful means of evaluating the benefits and costs of any proposed initiative and the potential pitfalls of the policy within a contained area.

The selection of a trial area will be set up in consultation with the affected stakeholders including the community, the Taxi Council of Queensland, the Limousine Association of Queensland, the taxi booking company in the area and preferably with all or most of the taxi licence holders in that area, local government bodies and other transport providers. It is envisaged that small rather than large areas will be selected.

A project plan will be developed outlining the objective and an appropriate range of evaluation criteria to allow full assessment of the trial to occur. Trials will be for a stated period in the nominated area.

Options

- Legislation will be amended to allow for the establishment of trial areas.

Impacts on Industry

- Industry would be able to propose new ideas and initiatives for trial and evaluation.
- Each trial would need to be developed in such a way so that licensees and other stakeholders in the taxi industry are not disadvantaged. As each initiative may raise different implementation and compensation issues, it may be necessary for these to be agreed with the trial participants on a case by case basis.

Impacts on Queensland Transport

- Queensland Transport will have the opportunity in conjunction with operators to trial new ideas and initiatives without impacting on the overall system.
- Queensland Transport will determine evaluation criteria for each trial.
- Will require a legislative amendment.

Impacts on the Community

- Would be minimal community impact during trials but should result in improved service to the public by trialling initiatives before implementation to remove or minimise negative impacts.

Feedback Question 8

How could the public participate in and contribute to the evaluation of trials?

6.2 LIMOUSINE INDUSTRY

6.2.1 More Flexible Licencing

Initiative 7

The government will retain limousine licensing for those sectors of the industry that compete with taxis but licences will be made available from Queensland Transport for either a once off or annual fee that reflects the value of licences.

Initiative 8

The government will amend the Transport Operations (Passenger Transport) Act 1994 to allow for the operation of stretch, high luxury, speciality, veteran and classic vehicles without a requirement to hold a limousine service licence. Operators of these vehicles would be free to operate in much the same way as operators of tourist or charter services who are not required to be licenced but are required to hold operator accreditation and to submit their vehicles to six monthly safety checks.

Initiative 11

The government will consult with the limousine industry and other stakeholders such as the taxi industry about appropriate transitional strategies and pathways to reach the desired outcomes.

Initiative 12

Irrespective of the implementation path chosen, the government will consider amending the Transport Operations (Passenger Transport) Act to allow for the leasing of limousine service licences.

Current Situation

The current licensing system imposes a once-off licence purchasing fee on limousine operators. Operators are generally individual owner/operators. Unlike taxi operators, limousine operators are not required to affiliate with a booking company and are not subject to contractual obligations.

Currently there are 438 limousine service licences in operation throughout Queensland. The operation of these licences is designated into two distinct areas – Whole of Queensland and Rest of Queensland.

A licence for the Whole of Queensland allows the operator to provide services anywhere in the state without restriction however a Rest of Queensland licence has area operating restrictions. See Attachment 3 for map.

There are 425 licences in the Whole of Queensland and 13 licences the Rest of Queensland. The Whole of Queensland licences are averaged at a value of \$50,000. The average price for a Rest of Queensland licence which is basically the non metropolitan area is \$5,000. (See Attachment 4 for an estimated breakdown of the structure of the limousine industry by vehicle category).

A significant concern of the taxi and limousine industries is the perception of 'inequitable competition' with both industries seeking a 'level playing field'. The taxi industry is seeking increased restrictions on limousine operations and limousine operators are seeking the increased right to compete with taxis.

The current licensing arrangements create uncertainty and the potential for inappropriate and illegal behaviour. For the travelling public the differences between taxi and limousine services are not readily understood and the current licensing arrangements do not assist in providing the best possible service.

There is currently a significant difference between the value of a taxi service licence and limousine service licence.

Limousine service licence holders are also not subject to the same standards imposed on taxi service licence holders through performance contracts which aim to ensure the adequate provision of service. These include the requirement to be affiliated with a 24 hour booking service, record keeping (waiting time data) and the requirement to accept all hirings.

There is also inequity for limousine service licence holders who provide services which do not compete with the taxi industry. Under the current regulatory regime, a person providing a luxury transport service must provide the service under a taxi or limousine service licence. Therefore, a person with a vehicle with limited novelty appeal is required to outlay approximately \$50,000 (\$5,000 in non metropolitan areas) to provide a service with very low demand compared to those which compete with the taxi industry.

What does the Initiatives Mean?

Queensland Transport considers that the limousine industry can be divided into three separate components.

First are the high luxury and speciality services that customers normally choose for special events, novelty occasions or for the special effect of the vehicle itself. The second component incorporates services that primarily provide a high quality, 'chauffeur like' transport service rather than the experience of using the vehicle itself. These services include corporate and airport services.

The third component is limousine operators who may wish to expand their business (and vehicle utilisation) by seeking to pursue 'normal' taxi work (for example, standing on ranks) when their vehicle is not being used for limousine work.

Component one would be deregulated and would only need to meet Operator Accreditation requirements and would not be licenced. Components 2 and 3 would remain licenced and would also need to meet Operator Accreditation requirements.

High Luxury Vehicle (HLV)

It is proposed that the High Luxury Vehicle category will be restricted to high luxury and speciality vehicles and include:

- Very high luxury vehicles of the type listed in Group A and stretched versions of groups A and B of Schedule 3 of the Transport Operations (Passenger Transport) Regulation 1994 (See Attachment 4 which classifies limousine vehicles into 3 different levels)
- Specialty and classic vehicles will require approval by the Director-General and would include vehicles of particular novelty value to customers who desire the experience of using the vehicle itself. The most common use would be for weddings where people choose vehicles that fit the special experience they wish to create for their special day.

This excludes vehicles which would generally be regarded as suitable for regular passenger transport work.

- Vintage and veteran
 - Veteran vehicles are those manufactured before 1919
 - Vintage vehicles are those manufactured between 1919 and 1930

Any vehicle that is deemed to be a 'high luxury' vehicle will be able to operate without the requirement to hold a limousine service licence. Queensland Transport will refund the licence value at a prescribed amount to operators who choose this option.

These operators will be subject to operator accreditation, driver authorisation and 6 monthly vehicle inspections. Operator accreditation conditions specific to these operators will be developed.

Vehicles will be identified by a special operator accreditation sticker to be displayed in conjunction with the registration label whenever the vehicle is being used under the operator accreditation. Special vehicle registration plates will not be required.

These operators will be limited to providing special events work such as weddings, formals, funerals and novelty events. **They will be prohibited from undertaking corporate, airport, hail or rank market work.**

Feedback Question 9

What types of vehicles should be included in the speciality and classic categories?

Should age limits or other quality standards apply to high luxury vehicles and to speciality and classic vehicles?

Limousine Vehicle (LV)

It is proposed that operators in this category will operate in much the same way as current limousine service licence holders providing corporate, airport, weddings and other services, however, enforcement will be significantly improved.

Limousine Vehicles will have a unique number plate. All services must be pre-booked and licence holders will be required to provide proof of pre-booking. Pre-booking for Limousine Vehicles is necessary to ensure that these vehicles do not become taxis by default by offering on-demand services booked over the phone. Such on-demand services are defined as taxi services and taxi licence holders have paid a significant licence fee to provide this service.

Operators in this category will be required to affiliate with a booking company. The booking company will be required to keep a record of the booking time, customer's name and pick up address and the vehicle and driver to which the job was allocated. Failure to provide such proof will result in a suspension of the licence for a specific period.

The booking company will be required to publish a telephone number and specify the range of services offered and types of vehicles available.

Some other jurisdictions require operators to charge a minimum fare or surcharge, for example 20% above the standard maximum taxi fare or a minimum hourly rate. This would provide a service differentiation between a taxi and a luxury limousine service and would ensure these operators are not providing demand responsive services in competition with the taxi industry. However, before any such options could be implemented a public benefits test would have to be undertaken. Penalties for breaches of the regulations will be increased.

Vehicles in this category could be from groups A, B or C (including stretched vehicles), speciality veteran and classic vehicles however all conditions of LV must be met.

Feedback Question 10

What is your view about requiring Limousine Vehicles to charge a surcharge of (say) 20% in excess of taxi fares?

What types of vehicles do you think should be eligible to be a Limousine Vehicle?

What process can limousine operators use to prove that their customer has pre-booked the service? How should this be recorded?

Luxury Passenger Vehicle (LPV)

It is proposed that these vehicles will be able to provide luxury pre-booked services and at other times to operate in the same market as taxis.

It is envisaged the following operating procedures would apply to LPV's:

- LPV's will operate in a market entry restricted and regulated environment;
- Licences may be made available by public tender or by lease;
- Licences will be issued on demand, based on the same criteria that applies to taxi service licences;
- LPV drivers will undertake the same training that currently applies to taxi drivers;
- LPV's will continue to provide the same services as they currently provide but will also be able to operate in the rank and hail markets;
- LPV's will be identified by a distinctive registration plate, removable decals showing the company logo and telephone number to be used when operating as a taxi. The operator accreditation number will also be displayed;
- LPV's will not be required to have full hail lights or traditional livery;
- These vehicles must be fitted with a meter and adhere to the maximum fare when undertaking taxi type work (the meter could be removed when undertaking luxury work);
- They would be required to operate under a service contract and meet performance standards when in an area of more than 10,000 people. LPV's may need to set up their own booking company or affiliate with an established taxi booking company;

- If an operator is upgrading from a limousine service licence to LPV licence, a licence could be leased from Queensland Transport (in lieu of full payment of difference of price).
- Vehicle types in this category would generally encompass Group C vehicles however Groups A, B and stretched A, B & C vehicles may seek to operate as a LPV but they would need to meet all LPV conditions.

Implementation Processes

Existing limousine service licence holders will have the following conversion alternatives:

- Operate a HLV which does not require a limousine service licence under the revised conditions. The licence fee will be refunded by Queensland Transport or;
- Continue to operate as a LV meeting more stringent booking conditions and other requirements or;
- Upgrade a limousine service licence to a LPV licence (providing both luxury and taxi services) by payment of a prescribed fee to Queensland Transport or;
- Convert the limousine service licence to a taxi service licence and operate as a taxi by payment of a fee to Queensland Transport. Taxi service licence conditions must be met or;
- Sell the existing licence at market value or;
- Surrender the licence to Queensland Transport with the licence value refunded at a prescribed amount.

Queensland Transport suggests that a two year transitional period be set. During this time, operators must decide under which regime they wish to operate. Once an operator has notified Queensland Transport of the elected choice, that notification will be deemed as final and irrevocable. All decisions must be made within the two year transitional period. Extensions will not be entertained. Queensland Transport seeks advice on the suggested transitional period of two years.

There will be no restriction on the sale of licences to other persons who may wish to avail themselves of the transitional provisions.

The value of licences will be deemed to be the average value applying to licences as at the date of approval of the recommendations by government in August 2003.

6.2.2 Tours in Passenger Vehicles

Initiative 9

The government will amend the Transport Operations (Passenger Transport) Act and Regulation to remove the requirement for tours provided in passenger cars to be provided under a taxi service licence or limousine service licence.

Current Situation

Currently tourist services can only be provided in passenger cars if the vehicle is attached to a taxi or limousine service licence.

For example, an operator wishing solely to provide tourist services in a passenger car must outlay approximately \$50000 in metropolitan areas or \$5000 in non metropolitan areas to purchase a limousine licence even though the vehicle is not itself a limousine. This imposes a significant cost on the operator of the service and limits the scope and nature of tourist services offered to the public.

As an example, if a person wants to provide tours of wineries in the Stanthorpe area in an open-topped passenger car, that person would be required to purchase a taxi or limousine service licence despite the limited nature of the service.

What does the Initiative Mean?

The requirement for tours provided in passenger cars to be provided under a taxi or limousine service licence would be removed. These tours would be subject to the same requirements that currently apply to tourist services including the requirement to hold operator accreditation, the driver would require driver authorisation, the vehicles would undergo 6 monthly mechanical inspections and a tour schedule must be published and available. The Act will be amended as recommended.

Impacts on Industry

- enhance the ability of the public transport industry to meet public demand
- provide the mechanism for tour work to be provided in speciality passenger vehicles such as historic vehicles
- reduce the costs of operators who only wish to provide tour services
- Exact figures are not available on the number of limousine service licence holders who only provide a tourist service. It is assumed that it would be a minimal amount in the metropolitan area however, outside South East Queensland it is reported that a significant proportion of work undertaken by limousines is tour work.
- beneficial for non metropolitan areas where transportation options are limited
- encourage local tourism growth and development.

Impacts on Queensland Transport

- This recommendation will result in changes to licence conditions and fees. To accommodate these changes, significant amendments would need to be made to Queensland Transport's internal systems.
- Courtesy and community services provided in a passenger vehicle do not have age limits imposed on the vehicle. With the current requirements, passenger vehicles used for tours are subject to the vehicle age limits for taxis and limousines. By removing this requirement, passenger cars providing tours will not be subject to age limits and could be used for an indefinite period. The vehicles will still be subject to 6 monthly vehicle mechanical inspections however, a determination needs to be made on whether passenger vehicles should be subject to an age limit.
- Queensland Transport may, however, impose additional vehicle standards on older passenger vehicles (for example, installation of seatbelts) to ensure that they are safe for use by the public as tour vehicles.

- Queensland Transport may also require certain criteria to be met for a passenger vehicle to qualify as being suitable for the carriage of passengers on tours.
- Change to operator accreditation required. (Operators are currently required to hold Limousine or Taxi Operator Accreditation. Under this recommendation, they would be required to hold General Operator Accreditation).
- This would be enacted through an amendment to Schedule 7 of the Regulation.

Impacts on the Community

- May increase the nature and scope of tourist services available to the general public.

Feedback Question 11

What minimum standards, if any, should be met by passenger cars doing tour work?

6.2.3 Limousine Service Boundaries

Initiative 10

The NCP Review also recommended that Queensland Transport amalgamate the existing limousine service areas and allows limousine operators to provide services anywhere in the state.

In recent years, Queensland Transport has amalgamated limousine service areas.

Under the proposals outlined in this paper:

- HLV's will be able to operate anywhere in the state
- LPV's will be subject to existing taxi service boundaries. The operator will be required to nominate the taxi service area they wish to operate in. This approval will be subject to Queensland Transport determining the demand in the nominated area
- LV's will continue to operate in amalgamated limousine service areas subject to comment by operators on the success or otherwise of the amalgamation.

Providing Your Comments

Submissions and comments from all interested parties are welcome. For your convenience, a feedback sheet is located on pages 30-31 of this discussion paper. You can send the feedback sheet and other comments

By fax: 07 3253 4921
By mail: Taxi and Limousine Development Unit
Floor 3, Transport House
Free Post 673
Fortitude Valley Qld 4006
(NO STAMP NEEDED)

If you prefer, you can respond on line by using the feedback sheet located on the Queensland Transport website at – **<http://www.transport.qld.gov.au/public>**

Submissions close on 31 July 2004.

General comments can be made at any stage of this process through your relevant industry representative or by contacting the Taxi and Limousine Development Unit.

Further Information

Further information on the Taxi & Limousine Development process can be obtained by contacting the unit –

By phone: 07 3253 4780
Or at the above address.

ATTACHMENT 1

STRUCTURE OF TAXI INDUSTRY IN QUEENSLAND

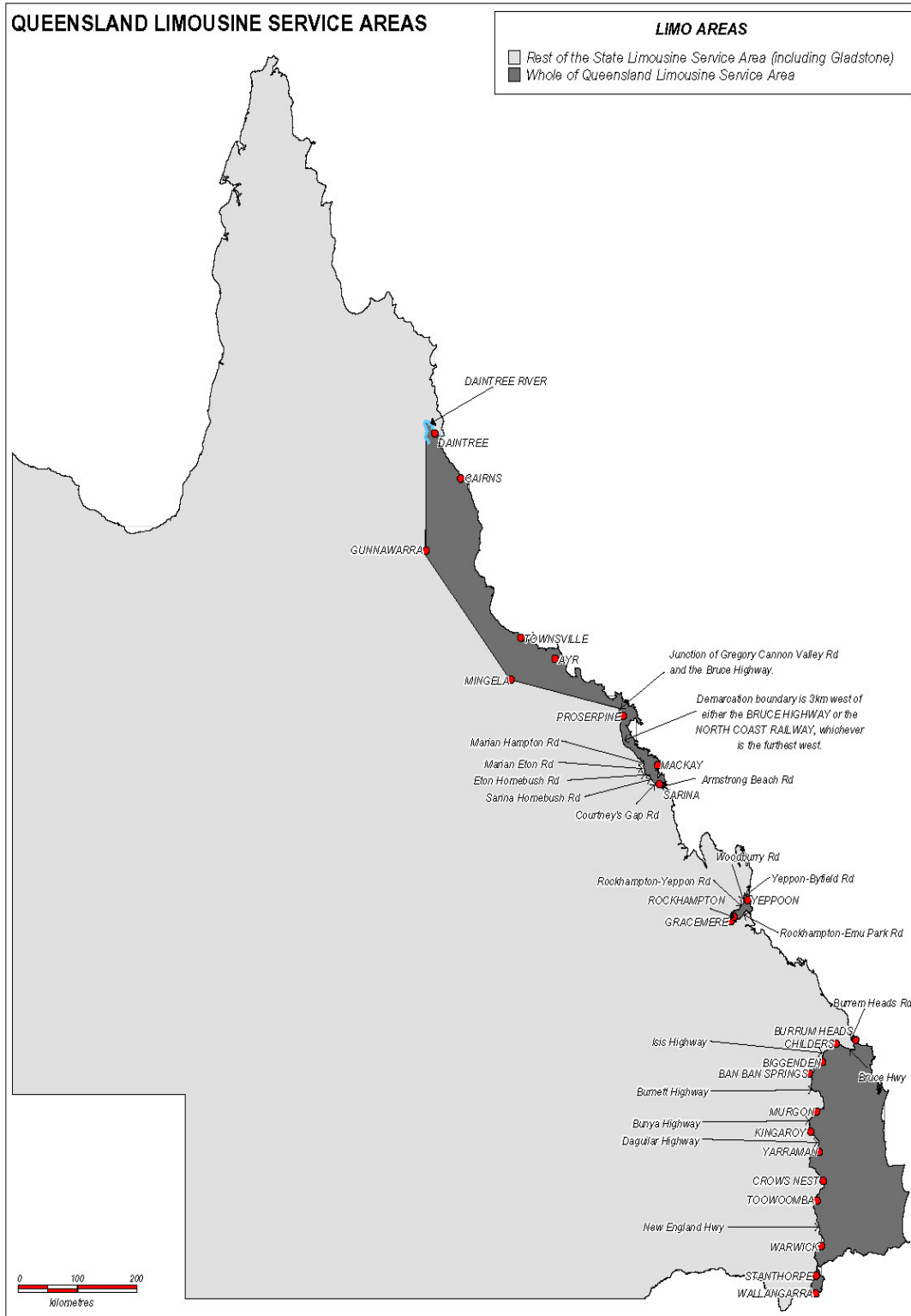
The taxi industry operates a total of 2841 taxis in towns and cities throughout Queensland. This includes contract, exempt and metered areas. The largest number of taxis operates in Brisbane with 1639 taxis. The following table outlines taxi numbers in all the contract areas only throughout the state.

Contract Area	Number of Conventional Taxi Licences	Number of Issued Wheelchair Accessible Taxi Licences (*)	Total
Mackay	54	9	63
Sunshine Coast	69	17	86
Warwick (2 contracts)	6	0	6
Maryborough	13	2	15
Mt Isa	33	0	33
Rockhampton	55	6	61
Toowoomba (2 contracts)	82	7	89
Hervey Bay	9	4	13
Gladstone	23	0	23
Capricorn Coast	4	3	7
Redcliffe (2 contracts)	28	4	32
Gympie	11	1	12
Brisbane (2 contracts) include Caboolture (2 contracts)	1470	169	1639
Townsville	110	15	125
Cairns	115	16	131
Bundaberg	26	2	28
Innisfail	11	0	11
Gold Coast	199	52	251
Bribie Island	2	1	3
Ipswich	53	7	60
TOTALS	2373	315	2688

(* - Figures do not include voluntary conversions to wheelchair accessible vehicles)

There are 92 exempt taxis and 75 metered taxis operating throughout the state which are not subject to contract requirements are not included in the above table.

ATTACHMENT 2 LIMOUSINE SERVICE AREAS



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ATTACHMENT 3**STRUCTURE OF LIMOUSINE INDUSTRY BY VEHICLE CATEGORY****WHOLE OF QUEENSLAND**

GROUP	NO. OF STANDARD VEHICLES	NO. OF STRETCHED VEHICLES	TOTAL
Group A	11	0	11
Group B	47	13	60
Group C	310	38	348
Over 40 years	5	1	6
TOTAL	373	52	425

REST OF QUEENSLAND

GROUP	NO. OF STANDARD VEHICLES	NO. OF STRETCHED VEHICLES	TOTAL
Group A	2	0	2
Group B	3	0	3
Group C	6	2	8
Over 40 years	0	0	0
TOTAL	11	2	13

ATTACHMENT 4

Transport Operations (Passenger Transport) Regulation 1994 - Schedule 3 – Luxury Motor Vehicles.

Group A

- Bentley
- Rolls Royce
- Daimler DS 420
- Other vehicles approved by the chief executive

Group B

- BMW 7 Series
- Cadillac
- Daimler
- Mercedes Benz S or E class
- Lincoln
- Audi A8
- Toyota Lexus LS 400
- Other vehicles approved by the chief executive

Group C

- Ford Fairlane/LTD
- Holden Statesman/Caprice
- Volvo S90
- Other vehicles approved by the chief executive

ATTACHMENT 5
FEEDBACK SHEET

Feedback Question	Comment
<p>Feedback Question 1 What do you think are the most important service standards for taxis to ensure the services meet the expectations of the community? Page 8</p>	
<p>Feedback Question 2 Which of the options above would be most practical in meeting short term peaks in demand for taxis? Why? Page 10</p>	
<p>Feedback Question 3 How should taxi companies more effectively manage resources (drivers, vehicles, and so on) to deliver better services to the public? Page 10</p>	
<p>Feedback Question 4 In what other ways could taxi booking companies more effectively manage resources (drivers, vehicles and so on) to meet public demand in a timely manner? Page 10</p>	
<p>Feedback Question 5 Queensland Transport is developing specific operator accreditation standards for taxi booking companies and other booking services. What standards should apply to taxi booking companies and booking services in their dealings with the public, vehicle operators and drivers? Page 12</p>	
<p>Feedback Question 6 What people or organisations should be eligible to lease a taxi service licence? Under what circumstances should the government lease a taxi service licence to</p> <ul style="list-style-type: none"> ◆ a booking company? ◆ an operator? ◆ an experienced driver? <p>Should leases be transferable? For how long should leases be issued? We are also interested in your view about how lease fees should be established. Should they be set by</p> <ul style="list-style-type: none"> ◆ Queensland Transport based on independent advice? ◆ Queensland Transport based on a percentage of averaged perpetual licence values? ◆ market forces (based on competitive bidding)? <p style="text-align: right;">Page 14</p>	

<p>Feedback Question 7 Should taxi users be allowed to choose their preferred taxi company even if the user is not in that company's contracted area?</p> <p>Should adjoining taxi areas be amalgamated when taxi licence values become the same in both areas? What impacts would this have on consumers and on the taxi industry?</p> <p>Under what conditions should taxis be able to operate in areas other than their own?</p> <p>Do you foresee any difficulties arising from allowing taxis to operate outside their contracted service area?</p> <p style="text-align: right;">Page 16</p>	
<p>Feedback Question 8 How could the public participate in and contribute to the evaluation of trials?</p> <p style="text-align: right;">Page 17</p>	
<p>Feedback Question 9 What types of vehicles should be included in the speciality and classic categories?</p> <p>Should age limits or other quality standards apply to high luxury vehicles and to speciality and classic vehicles?</p> <p style="text-align: right;">Page 20</p>	
<p>Feedback Question 10 What is your view about requiring Limousine Vehicles to charge a surcharge of (say) 20% in excess of taxi fares?</p> <p>What types of vehicles do you think should be eligible to be a Limousine Vehicle?</p> <p>What process can limousine operators use to prove that their customer has pre-booked the service? How should this be recorded?</p> <p style="text-align: right;">Page 21</p>	
<p>Feedback Question 11 What minimum standards, if any, should be met by passenger cars doing tour work?</p> <p style="text-align: right;">Page 24</p>	
<p>Are you from the taxi industry?</p>	<p>Yes/No (Optional)</p>
<p>Are you from the limousine industry?</p>	<p>Yes/No (Optional)</p>
<p>Are you a taxi or limousine customer?</p>	<p>Yes/No (Optional)</p>

Please refer to page 25 for details on how to submit your feedback.

Thank you for taking the time to respond to the discussion paper. Your information will contribute to shaping the future development of the taxi and limousine industries in Queensland.

Any information provided in response to the feedback questions will be treated in confidence and will only be accessed by authorised departmental officers and consultants. Queensland Transport does not give this information to any other organisations.

