

Mr Jim Varghese AM
Chairman of the OPT Review Taskforce
GPO Box 50
BRISBANE QLD 4001

7 June 2016

Dear Mr Varghese

RE: SUBMISSION TO THE VARGHESE REVIEW

It is with pleasure that Taxi Council Queensland (“TCQ”) offers the following comprehensive submission to the Opportunities for Personalised Transport Review (“Varghese Review”) for consideration. TCQ thanks the Review Panel and the Queensland Government for allowing this opportunity to meaningfully and productively engage and present evidence on the opportunities for the Queensland taxi industry to continue to provide high quality, accessible and affordable personalised transport services for all Queenslanders.

TCQ commends the Terms of Reference established by the Queensland Government for the Review with the goal of *“investigating opportunities to uphold safety standards, meet customer needs, increase competition and foster innovation in the delivery of personalised transport services to Queenslanders, by considering the current economic, social and regulatory environment.”*

TCQ also commends the Guiding Principles identified by the Review. These Principles – Accessible, Accountable, Customer Focused, Innovative and Safe – were core elements of the Taxi Industry Strategy 2010-2015 and have been effectively achieved by the current regulatory environment for the benefit of Queenslanders for the past 20 years. The continuation of these Principles into the future is therefore strongly supported.

This submission outlines the informed views of TCQ on behalf of the Queensland taxi industry and associated participants and stakeholders. It includes a range of recommendations that fully meet the objectives outlined in the Terms of Reference and Guiding Principles of the Review and seek to maximise the benefit of taxis for all Queenslanders.

The submission is supported by independent research commissioned by TCQ and undertaken by international consulting firm RPS. The research includes:

- A position paper outlining the broad policy implications and questions facing the Varghese Review
- comprehensive profiles of the demand and supply characteristics of taxi services in Queensland
- assessment of trends in fares, pricing and licence values
- analysis of innovation in personalised transport in Queensland
- estimates of the contribution of taxis to the Queensland economy and the costs and benefits of options identified in the Varghese Review’s Green Paper.

This research draws upon the results of extensive consultation with industry stakeholders including 14 facilitated workshops held across the State:

- Brisbane Metro North
- Brisbane Metro South
- Ipswich
- Gold Coast
- Sunshine Coast
- Toowoomba
- Gympie
- Bundaberg
- Cairns
- Townsville
- Mackay
- Rockhampton
- Gladstone
- Mount Isa

This consultation was complemented by an international study tour, undertaken by representatives of TCQ and RPS. This tour visited major taxi markets in the US, UK and Asia and met with regulators, policy makers and taxi operators to understand the lessons learnt from past attempts at regulatory reform.

Response to the OPT Green Paper

TCQ has concerns regarding the practical implications of all four reform scenarios and options identified in the Opportunities for Personalised Transport Review (“OPT”) Green Paper. TCQ recognises there is need for significant reform of personalised transport in Queensland. However, this reform should build upon the global best practice regulatory reform established in 1994 and allow taxi service providers to respond to changing community needs by facilitating the adoption of new technological and business model innovations as required.

This submission, and supporting technical research from independent international consultancy firm, RPS, seeks to respond to the reform scenarios and options outlined in the Green Paper as well as provide rigorous research to meet the requirements of the Terms of Reference.

This response, is comprised of the following reports:

- *Submission and Recommendations*, prepared by TCQ
- *Position Paper*, prepared by RPS
- *Demand for Taxi Services in Queensland* Technical Research Report, prepared by RPS
- *Supply of Taxi Services in Queensland* Technical Research Report, prepared by RPS
- *Innovation in the Queensland Taxi Industry* – Response to the OPT Innovation Paper, prepared by RPS
- *Pricing, Payments and Licences in the Queensland Taxi Industry* Technical Research Report, prepared by RPS
- *Economic Analysis of the Queensland Taxi Industry* Technical Research Report, prepared by RPS.

Queensland is Unique

In 1994, the Queensland Government, in partnership with the Queensland Taxi Industry and key stakeholder and user groups, established a global best practice regulatory framework for personalised transport that continues to lead the rest of the world by 25 years. The *Transport Operations (Passenger Transport) Act 1994* (“TOPTA”), and subsequent *Transport Operations (Passenger Transport) Regulation 2005* (“TOPTR”), was truly innovative in establishing of Service Contracts for Taxi Booking Companies (“TBCs”) and in facilitating the adoption of leading safety, accessibility and community focused innovations, technologies and standards.

This uniquely Queensland regulatory framework has supported the delivery of global best practice taxi services in the State to the benefit of the Queensland community and Queenslanders have responded positively to this outcome over the past 20 years. Queensland taxis have the highest satisfaction rating of any form of public transport in the State at 65% in 2016. Similarly, Queenslanders continue to “vote with their feet”, with over 102 million taxi trips in 2015, compared to 350,000 to 500,000 “ride sharing” trips in the State over the same time.

Queenslanders also travel further, in larger groups and at a lower cost than any other State. Queenslanders get better value for money from their taxi services with the per person, per kilometre cost of a Queensland taxi trip less than half that of New South Wales and Victoria.

Queenslanders also book taxi services more than any other State (at 65% of transactions) and pay electronically at a rate of four (4) transactions for every one (1) with cash. These facts, captured in the independent research undertaken by RPS, show that the Queensland community benefits from the high quality services provided by the Queensland taxi industry and by the certainty, safety and innovation facilitated by Queensland's best practice regulatory framework.

It also clearly demonstrates that "ride sharing" offers no net benefit to Queenslanders. "Ride sharing" is not a differentiated offering to taxis in Queensland, unlike many US jurisdictions or in New South Wales, where taxi services are narrower (almost entirely "rank and hail") and of lower quality. Booking a taxi and paying for it electronically have been the standard in Queensland for over 20 years, and the use of centralised computer-based booking and dispatch has been a core pillar of the current regulatory and operational framework since the early 1990s.

In the absence of any differentiating features or benefits, "ride sharing" in the Queensland context is simply a form of low-cost, non-compliant taxi service. This view is shared by 67% of Queenslanders, including two thirds of uber users, who view uber as a form of taxi in Queensland rather than a separate personalised transport offering.

This therefore raises a key question – can structural reform of the personalised transport sector in Queensland be justified simply to facilitate the entry of a low-cost taxi service that delivered 0.5% of all trips in the State at no net benefit to the community?

Recommendation 1: "Ride sharing" must not be legalised in Queensland as it offers no net benefit to the Queensland community and represents a major economic, social, fiscal and regulatory risk to the State and to Queenslanders.

The current regulatory framework has also been a success in aiding the Queensland Government to induce significant private investment into the taxi industry over the past two decades. Every day Queenslanders have helped to fund the delivery of taxi services for the community at no cost to Government by investing in licences.

The innovative and high-quality nature of taxi regulations in Queensland provides Queenslanders with confidence in the future of taxi services in the State and reinforces the value of investing in this world-class public transport sector. This value is now being called into question by the challenges faced by the Government in enforcing the laws of the sovereign State of Queensland and by the uncertainty created by the Varghese Review process.

Impacts and Costs of De-Regulations

The Green Paper, released by the Varghese Review on 20 May 2016, failed to consider the unique attributes of both Queensland's regulatory framework and how Queenslanders engage, use and pay for taxis. This lack of consideration of Queensland by the Varghese Review, and reliance on data and assumptions from other Australian States, undermines the relevance and applicability of the options outlined in the Green Paper to Queensland. Instead, the implementation of the options includes major risks to the community and Government not canvassed or costed by the Varghese Review.

International experience in the de-regulation of personalised transport supply and fares demonstrate a range of perverse and negative outcomes. Diverse locations such as Sweden, Japan, the Netherlands, New Zealand and Ireland all saw similar outcomes from their respective taxi de-regulation over the past 20 years including:

- A significant increase in new entries (between 100% and 500%)
- A decline in operational efficiency and productivity
- An increase in traffic congestion, including at major economic and entertainment nodes
- An increase in fares (between 25% and 50%)
- A decline in driver income (by up to 50%)
- A deterioration in service and vehicle quality
- An increase in the cost of compliance and enforcement activities of Government (up to 100% depending on the growth in vehicle numbers)

- A substantial increase in the cost to Government and the community of delivery of taxi services to people with disability and in wheelchairs and the deterioration of availability and quality (in the order of \$400-\$500 million per year).
- A breakdown or deterioration of service availability in suburban and regional areas

Instead, the maintenance and enhancement of regulations in the personalised transport sector is regarded as essential. This view is supported by 68% of Queenslanders who expressed that taxi industry regulations should be maintained at current levels or increased and 72% of Queenslanders that the current regulations are not designed to protect the industry and instead represent a comprehensive suite of consumer protections that benefit every member of the community.

This includes Universal Service Obligations (“USOs”), which are at the heart of personalised transport services in Queensland and ensure all Queenslanders have ready access to high quality affordable transport options 24/7. The removal of USOs is strongly opposed by Queenslanders, with 79% believing that all Queenslanders have equal right to access taxi services.

Recommendation 2: *USOs on the taxi industry must be retained and expanded to cover all forms of personalised transport that provide services to Queenslanders.*

Moreover, these consumer protections should be expanded to cover all forms of personalised transport. More than half of Queenslanders (53%) believe that “ride sharing” should be subject to the same regulations as taxis. This would include a wide range of regulatory requirements ranging from vehicle age limits, driving training and standards, safety equipment and payment options.

Recommendation 3: *Taxis and all forms of personalised transport should be governed by a single, consistent regulatory framework administered by the State Government. Regulations should not differ between forms of personalised transport so as to ensure all Queenslanders are protected regardless of how they travel.*

Opportunities with Public Transport

The Green Paper fails to meet the Terms of Reference of the Review. It is wholly focused on the issue of “ride sharing” and fails to acknowledge or consider other issues of equal or greater importance to the future of Queensland’s personalised transport services.

Instead of “ride sharing”, the focus of Green Paper and associated reform options for the personalised transport sector should be on how to realise the full potential of the taxi industry and promote and facilitate its integration as part of the Queensland public transport sector. Not only do the majority of Queenslanders already view taxis as a form of public transport, it is second only to buses in patronage.

Also, while the Government subsidises all passengers of traditional public transport services in the order of \$6-\$8 per trip, Queensland taxi passengers are not subsidised, representing huge cost savings to the Government.

Recommendation 4: *Embrace and fully integrate taxis as part of Queensland’s Public Transport Network, delivering on the Department of Transport and Main Roads (“TMR”) vision of “Creating a single integrated transport network accessible to everyone” – additional benefits include easing congestion, traffic incidents and parking issues.*

Taxis represent an opportunity for the Queensland Government to unlock the potential of the State’s public transport network by helping to address “First Kilometre, Last Kilometre” efficiency issues and by driving greater patronage to traditional public transport modes.

Recommendation 5: *Taxis should be considered in all transport planning activities including being integrated into the wider public transport and fare models to aid efficiency, service delivery and customer outcomes to build a truly integrated network.*

An effective way to achieve this integration is through the roll-out of goCard payment facilities in all taxis across the State. Not only will this allow for Queenslanders to more seamlessly move between taxis and other forms of public transport, but it will help to reduce costs to passengers by providing further competition and choice in how Queenslanders pay for taxi services.

Recommendation 6: *Incorporate goCard payment facilities in all taxis across the State.*

However, the opportunity for Government and communities from an expanded role of taxis goes further. Currently, taxis provide a range of complementary community transport services including Council Cabs, Non-Urgent/Non-Ambulance patient transport, and flexible bus-like public transport services in low patronage areas.

To fully realise this opportunity greater coordination is required by Government in how community transport services are procured. This opportunity could be further enhanced by the implementation of goCards in taxis, providing taxis with greater compatibility with other forms of public transport and providing the community, including those with major mobility challenges, with greater choice and flexibility in payment options.

Recommendation 7: *Consider the use of taxis in the delivery of Government-funded community transport services including streamlining and centralising procurement and funding by Government.*

Taxi services will also need to be normalised with other forms of public transport. Taxi passengers are subject to a range of fees and charges not paid by other public transport users. This includes road tolls for which buses are exempt but taxi passengers are not.

Recommendation 8: *Queenslanders who catch taxis should be exempt from road tolls, in line with other forms of public transport in the State.*

Maintaining Services for the Disabled

A critical concern of TCQ in the Green Paper is the failure of the Paper to properly outline the implications for Queenslanders with disabilities of the proposed reforms. International experience, documented by RPS, has shown that de-regulation of taxi services, including the introduction of “ride sharing”, has the greatest impact on people with disabilities.

Queensland’s current industry structure and regulatory environment has resulted in the Queenslanders with disabilities having access to the best on-demand transport services in the world. Wheelchair accessible taxis (“WATs”) represent one (1) in every five (5) taxis in the Queensland fleet, the highest in Australia, despite Queensland being the only State where the operation of WATs is not subsidised by the State Government or delivered by the public sector as part of a paratransit service.

Independent research by RPS and consultation with international taxi regulators indicated that the delivery of paratransit services costs hundreds of millions of dollars each year, with budget pressures growing with an ageing population. Paratransit services also fail to provide on-demand services to people with disabilities, with services required to be booked at least 24 hrs in advance.

In contrast, Queenslanders with disabilities can access on-demand WAT services that are the only form of public transport in the State that meets the Australian *Disability Standards for Accessible Public Transport* (“DSAPT”). These services are delivered at no cost to Government, with a small welfare subsidy paid to the passenger. Instead, the cost of the service is absorbed by the taxi industry and cross-subsidised by the delivery of conventional taxi services and maxi taxi services.

Greater support should be given to taxi drivers who deliver high quality WAT services for Queensland’s most vulnerable residents. This should include compensation for the additional effort and training required to ensure disabled and mobility challenged Queenslanders are afforded a safe and secure service tailored to their requirements.

Recommendation 9: *A Lift Fee should be introduced for all taxi jobs involving wheelchair passengers, payable to the driver prior to the distribution of funds.*

Additionally, the opportunity exists to better streamline the processing of taxi subsidy and transport welfare payments for Queenslanders. GoCards potentially present the mechanism to integrate both Taxi Subsidy Scheme (“TSS”) and further National Disability Insurance Scheme (“NDIS”) payments into a single travel payment option.

Recommendation 10: *Integrate disability and mobility support payments (e.g. TSS, NDIS) with goCards to provide cost savings for the State Government and Queenslanders.*

Benefits of Co-Regulation

Significant opportunities for reform also exist in regulations governing the safety, sustainability and quality of taxi services in the State. Many of the existing regulations remain global best practice but consideration should be given to how they can be improved and enhanced to set a new standard for the next 20 years.

The governance of personalised transport is highly complex and requires significant intellectual and financial resources to ensure the sector delivers real, tangible benefits to the State. For the past 20 years, this has been achieved through the current co-regulatory framework that shifts much of the regulatory burden to TBCs through Service Contracts. These Service Contracts are unique to Queensland's taxi regulations with no other jurisdictions in the world having a similar contractual arrangement.

The Service Contracts provide a range of benefits for Government. They not only allow Government to partner with the industry in the regulation of taxi services in the State but also provide a mechanism for ensuring Minimum Service Levels ("MSLs") and USOs are met. This is supported by the presence of defined Taxi Service Areas in Queensland, which ensure region specific demand factors can be considered in the supply of taxi services and allows for the enforcement of regulations at the regional levels by local TBCs.

The de-regulation of personalised transport in Queensland, as proposed in the Green Paper, represents a major risk to Government's ability to continue to ensure the delivery of safe, accessible and accountable personalised transport services for Queenslanders. International experience has shown that such de-regulation actually increases the regulatory cost and compliance burden on Government by removing co-regulatory mechanisms from the industry and shifting full responsibility back to Government. Instead, the current approach of Queensland's taxi regulations should be recognised as the best practice model that should apply to all forms of personalised transport.

Recommendation 11: *All providers of personalised transport in Queensland should have a Service Contract with Government for a defined Service Area to ensure appropriate standards and level of service are met and to provide Government with greater enforcement capabilities.*

Implement an Independent "Personalised Transport Authority"

The current best practice co-regulatory model in Queensland could be further enhanced through reform to the regulator itself. Feedback from industry consultation and engagement with taxi regulators in other Australian and international jurisdictions suggests a new model for regulatory enforcement and compliance is required to address emerging challenges.

Recommendation 12: *Establish an independent regulatory and compliance authority responsible for the development, management and enforcement of uniform regulations in the personalised transport sector.*

This could be in the form of an independent "Personalised Transport Authority". Such an authority exists in places such as New York and Victoria and provides a central organisation or "commission" responsible for the development, management and enforcement of regulations. The establishment of a "Personalised Transport Authority" will help to streamline enforcement activities and ensure that all future regulatory reforms are practical, responsive to change, innovative and deliver real benefits to Queenslanders.

The Importance of MSLs

The role of Service Contracts in establishing and enforcing MSLs is unique to Queensland. Only Singapore comes close to this arrangement and in that jurisdiction MSLs only relate to vehicle utilisation rates, not meeting the needs of the community.

The Queensland taxi industry has been broadly successful in meeting the MSLs required under the Service Contracts, providing a more accessible and timely taxi service to Queenslanders than in any other State or country. This includes during "peak times" and with the delivery of WAT services.

However, TCQ recognises that the opportunity exists to review current MSLs to ensure their continued alignment with community expectations. While individual customers invariably want access to personalised transport as soon as possible, this needs to be balanced against the need to optimise access to taxi services for the entire community. This includes people in suburban and regional areas, people from lower socio-economic areas and people with disabilities.

Recommendation 13: *Current MSLs should be reviewed to ensure their continued alignment with community expectations.*

"Surge Pricing" Is Inappropriate and Ineffective

The model employed by uber and other "ride sharing" providers to address this issue, "surge pricing", ultimately represents a form of price exploitation that places the needs of some members of the community over others. As an essential form of public transport, "surge pricing" is incompatible with the realising the vision of TMR in facilitating a single integrated public transport system for all.

Recommendation 14: *All personalised transport providers be expressly prohibited from the use of “surge pricing” in their fare structure, to prevent the exploitation of Queenslanders, particularly those with disabilities or under the influence of alcohol.*

It is also questionable whether the stated aims of “surge pricing”, inducing new supply into the market to meet demand, is effective. Analysis by RPS suggests that rather than inducing new supply in Queensland, the small size of the State’s population will see “surge pricing” simply shift existing supply to the surge location, reducing the availability of personalised transport services to Queenslanders in suburban areas and increasing congestion at major economic nodes (such as the CBD and Airports).

These risks, and the general inequality of “surge pricing” is recognised by the community with more than seven (7) in ten (10) Queenslanders (72%) opposed to the use of “surge pricing” in personalised transport.

Fare Affordability and Transparency

Instead, Queenslanders are seeking greater certainty and transparency in fares.

The price of taxi fares in Queensland was identified as the only attribute of the Queensland taxi industry with a net dissatisfaction rating (49% are dissatisfied compared to 37% who are satisfied).

Taxi fares are not set by the industry and instead are regulated by the Government. Changes in fares in Queensland are determined by TMR through the use of the Taxi Cost Fare Index (“TCFI”) Model that balances affordability and service sustainability objectives.

Despite community dissatisfaction, analysis by RPS revealed that Queensland taxi services are in fact quite affordable, particularly in comparison to NSW and Victoria. Queensland fares are also less complex and more transparent than other jurisdictions, with simpler tariffs and fewer fare components. One of the perverse outcomes of taxi de-regulation in Singapore was the rapid increase in the complexity of fares as taxi drivers and operators sought to exploit customers. This has led to the recent re-introduction of regulation by Singapore to protect consumers.

Despite Queensland’s comparative fare affordability and transparency, opportunity to improve communication and provide greater certainty to Queenslanders exists. This may include increasing the amount and diversity of information available to customers on their trip receipt. This information may include details on the vehicle and driver, a breakdown of the components of the fare (including tolls and other charges) and contact information for dispute and complaints.

Recommendation 15: *Receipts for customers using personalised transport services should include an itemised breakdown for all components of the taxi fare – including all charges, tolls, and fare components, driver identification details, map of the route taken and where customer complaints can be made – to increase fare transparency for Queenslanders.*

Greater certainty can also be provided by ensuring maximum fares remain enshrined in regulation. TCQ believes recommendations in the Green Paper to remove maximum fare caps represents a major risk to Queenslanders and will expose the community to potential fare increases commonly seen in other jurisdictions that have undergone failed de-regulation.

Recommendation 16: *The maximum fare chargeable by personalised transport providers to Queenslanders should be enshrined in regulation to ensure fare transparency and certainty for passengers.*

Similarly, certain fare components, such as booking fees, should be regulated. This should include booking fees charged by any future “ride sharing” services, with fees regulated at a fixed rate similar to current fees charged on booked taxi trips (i.e. \$1.50).

Recommendation 17: *The portion of personalised transport fares for the booking of the service should be regulated at a fixed rate.*

Overall, the objective of reforms to the pricing and fares of Queensland’s personalised transport sector should not be to reduce protections for consumers. Instead, the goals should be to both simplify fares and improve communication to passengers with the end objective of reducing the cost of taxi travel in the State.

Recommendation 18: *The structure and application of fares and tariffs should be reviewed with the view of simplifying and reducing fares for Queenslanders.*

Fare Reduction Strategies

Fare reductions could be achieved in the medium term through targeted and meaningful reductions in “red-tape” on the taxi industry, with savings passed onto consumers. This reduction should not be achieved at the expense of community safety and service quality and accessibility. Instead, greater innovation is required to ensure that the same or better standard of taxi service currently expected by Queenslanders can be delivered more efficiently and cost effectively.

A major example would be reform to Compulsory Third Party (“CTP”) insurance costs on taxis in the State. Currently, taxis are the only vehicle type within Class 3 of Queensland’s CTP schedule with a cost 20 times higher than Class 1 vehicles.

Recommendation 19: *Current CTP requirements for Queensland taxis should be reformed with the goal of reducing costs to operators and reducing fares.*

Opportunities for reform of CTP include:

- Allowing the use of technologies, such as forward facing cameras, to reduce premium levels
- Abolish Class 3 and shift all taxis into another Class, either with private motor vehicles or other public transport vehicles
- Broaden Class 3 to include **all vehicles that provide personalised transport for Queenslanders**

The cost savings from the adoption and implementation of one of these options would assist to reduce the cost burden on the taxi industry and provide scope for fares to be reduced for Queenslanders.

A broader “red tape” reduction strategy is also needed. Any reduction in the “red tape” burden on the taxi industry should not be achieved at the expense of community safety and service quality and accessibility. Instead, greater innovation is required to ensure that the same or better standard of taxi service currently expected by Queenslanders can be delivered more efficiently and cost effectively.

Recommendation 20: *Review and implement opportunities for “red-tape reduction” with the objective of improving sustainability of services and providing savings to consumers.*

There are several opportunities to reduce red tape across regulatory framework. Key areas of focus should include:

- The delivery and management of driver training and authorisation
- Shifting equipment requirements to a minimum standard rather than proscribing specific technologies
- Streamline TBC and Operator reporting
- Permit biannual vehicle checks to be undertaken by authorised private mechanics, particularly in regional areas and
- Use Wi-Fi and other wireless technologies to stream data and information from taxis for use by the Department or Police rather than requiring them to return to base for download.

Protecting Queenslanders

In addition to maximum fares, other consumer and community protections that currently characterise the Queensland taxi regulations should be maintained, enhanced and expanded.

Passenger safety is commonly linked to the quality and capability of the driver. Almost two in every three (64%) of Queenslanders expressed satisfaction in the skills and capability of Queensland taxi drivers. However, it is essential that best practice regulatory standards, established and maintained in the Queensland taxi industry apply to all future forms of public transport.

Recommendation 21: *All authorised personalised transport service providers should have a comprehensive police background checks monitored daily.*

This includes daily monitoring of police background checks and ensuring driver fatigue standards are maintained and enforced across all forms of personalised transport.

Recommendation 22: *The regulator should establish and manage a central driver registration system to monitor driver activity across the personalised transport sector to help enforce driver fatigue standards.*

Similarly, consideration should be given to the appropriateness of the use of personal telecommunication devices during personalised transport trips. This includes the use of mobile telecommunication devices by “ride sharing” drivers for accessing online booking platforms (i.e. booking apps). The use of personal communication devices by any personalised transport driver represents a potential risk to the passenger.

Recommendation 23: *Review the regulation on use of personal telecommunication devices during personalised transport trips.*

Reform is also required on how taxis pick up and drop off passengers and the appropriateness of booked services in precincts and locations with high risks of violence.

Currently, taxis are restricted in where they can pick up and drop off passengers by “Yellow Lines” and other no-standing zones. Taxis in other international markets are exempt from such restrictions because the value of taxis providing a true door-to-door service is recognised by the regulator and the community.

Similarly, Queensland taxis that provide services to people in wheelchairs are currently prohibited from using wheelchair parking spaces for the pickup and drop off of disabled Queenslanders, forcing such passengers to locations that either lack the appropriate support infrastructure or are distant from the point of origin or destination of the trip (such as the hospital or shops).

Further, most taxi ranks are unable to accommodate the pickup and drop off of people who use wheelchairs.

Recommendation 24: *Review the regulations and infrastructure related to the pickup and drop off of passengers by taxis.*

This need for more tailored supporting infrastructure is also evident in the role that taxis play in the dispersion and distribution of people from major stadiums and events. The further integration of taxis into the public transport network will also need a strong commitment from TMR and the Government in facilitating the incorporation of taxi ranks at all stations train, light rail and major busways stations in the public transport network.

Opportunity also exists to leverage existing public transport infrastructure to improve the efficiency of taxi services in the inner city and long major transport corridors. Allowing taxis to use busways will help to more rapidly remove taxis from the CBD and inner city road networks, reducing congestion and improving road and infrastructure utilisation and efficiencies.

A current example of effective infrastructure and support for taxis is the establishment of secure ranks in Safe Night Out precincts. Secure Ranks provide a structured way of efficiently and safely move Queenslanders away major entertainment precincts (such as Fortitude Valley) during times of high risk of violence. Secure Ranks have been highly successful with maximum wait times for taxis by Queenslanders reaching only 90 seconds and more efficient use of maxi taxis through management of group bookings.

This success raises the question as to whether pre-booked personalised transport services should be available in Safe Night Out Precincts. Queenslanders have a culture for booking taxis which traditionally represents the most efficient way to secure taxi services. However, during peak times on Friday and Saturday nights, pre-booked services have the perverse outcome of increasing the spread of people away from Safe Night Out Precincts raising the risks to the personal health and wellbeing of Queenslanders, both passengers and pedestrians. They also raise congestion levels in and around entertainment precincts, increasing the chances of vehicle and pedestrian accidents.

Recommendation 25: *Pre-Booked personalised transport services should be prohibited from Safe Night Out Precincts during high risk times to ensure passenger and pedestrian safety is not compromised and to minimise congestion.*

Instead, the efficiency of Secure Ranks means that pre-booked personalised transport services should be prohibited from operating in Safe Night Out Precincts during high risk times. This should be supported by education and information for Queenslanders encouraging them to use Secure Ranks as the safest way of travelling from Queensland’s entertainment precincts.

Enforcing this and other consumer protections will require greater transparency and identification of personalised transport vehicles. Queensland taxis are clearly branded, allowing all Queenslanders, including those with mental disabilities, minors and those under the influence of alcohol to readily identify the vehicle they are entering is a taxi.

Similarly, current regulations require information on the taxi to be provided in braille on the door of the vehicle to provide certainty and security for passengers who are vision impaired.

Recommendation 26: *All authorised providers of personalised transport must be readily identifiable to members of the community and to enforcement and compliance officers. This may include category-specific number plates and signage and the use of recognition technologies.*

All types of personalised transport should be held to this standard. This may include requiring consistent livery and branding information, the use of category-specific licence number plates and centralised registration of all personalised transport vehicles.

Queenslander's investments must also be protected. The Queensland Government has benefit, financially and economically, for the investment made by Queensland families and households in taxi licences. This investment has enabled Queensland to boast one of the most effective taxi industries in the world and has provided a consistent source of investment income for many Queensland households, including those in retirement.

Recommendation 27: *Any change to Queensland's current best practice personalised transport regulatory framework must be accompanied by an appropriate compensation package, including full compensation for licence owners who purchased their licence from the Government in good faith.*

A comprehensive compensation package is therefore an essential requirement of any reform to the personalised transport sector in Queensland. Queenslanders who have invested in the sector have done so at good faith in purchasing licences from the Government and deserve protection and compensation for the impacts on their current and future livelihoods.

Enforcing and Improving Vehicle Standards

The most effective mechanism for ensuring Queenslanders have access to the safest and highest quality personalised transport fleet is the regulation of vehicles. Queensland has the youngest taxi fleet in the world, with the strictest maximum age limits on both conventional taxis (6 years) and WATs (8 years). These age restrictions have promoted a higher utilisation of vehicles (i.e. more trips per vehicle) as well as ensuring the base quality of the fleet is continuously improved.

It also provides significant fuel efficiency and congestion management benefits to the community. In 2015, 72% of taxis in Queensland are hybrid vehicles, with a further 17% using LPG fuel. This is greater than South Australia, with 70% hybrids, while all other States have predominantly LPG vehicles.

Vehicle safety is also increasingly compromised when vehicle age restrictions are removed. Discussions with regulators in NSW indicated that the de-regulation of the personalised transport sector in December 2015 has seen the average age of taxi vehicles in that State more than double from four (4) years to eight and a half (8 ½) years in less than six (6) months. This reflects the attempt of taxi providers to adapt to a low cost business model at the expense of vehicle efficiency, safety, reliability and quality.

Recommendation 28: *Expand the application of vehicle age limits to all forms of personalised transport.*

The benefits of vehicle age restrictions should therefore cover all forms of personalised transport in the future. The health and wellbeing of Queenslanders should not be placed at risk simply because of the form of personalised transport they choose.

Ultimately however, international experience has demonstrated that attempts to solely regulate the quality of personalised transport vehicles fails. In New Zealand and Ireland, the de-regulation of supply restrictions saw the number of vehicle providing personalised transport services grow rapidly without a commensurate increase in demand. As such, the burden on regulators increased dramatically to ensure compliance against quality regulations without the de-regulation yielding net benefit to those communities. This concern was echoed by regulators in Los Angeles, London and New York that have all seen their personalised transport fleets grow exponentially, requiring a doubling and tripling of compliance officer numbers.

Similarly, experience in New York and London, where personalised transport markets have been segmented between rank-and-hail and pre-booked for many years, is that such segmentation does not simplify regulatory burden as expected but instead more than doubles it. This is because not only does the regulator have two separate sets of regulations to manage and enforce but encroachment by vehicles into the other segment must also be managed.

Instead, history has already demonstrated that the simplest and most effective mechanism for managing vehicle quality is through supply restrictions. A smaller, better utilised personalised transport fleet can justify higher investment in meeting high vehicle standards while providing a more manageable regulatory burden for Government. These restrictions also have the added benefit of minimising the impact on traffic congestion in major economic nodes that has occurred in every market in the world in which taxi and personalised transport supply has been de-regulated.

Recommendation 29: *The total supply of vehicles must be regulated across the entire range of personalised transport services, in line with international best practice and experience. This should consider the impacts of vehicle numbers on congestion and balance the needs of Queenslanders with the long-term sustainability of service delivery.*

It is therefore incumbent on the Government to recognise and learn from the lessons of other jurisdictions over the past 30 years and maintain restrictions on the supply of personalised transport vehicles in the State. Instead, the Queensland Government should continue to rely upon the best practice approach it established and assess the need for further personalised transport services in the State using the Taxi Demand Model.

Queensland is the only jurisdiction in the world that uses a demand-side model for assessing the need for additional taxi licences. This approach ensures that the increase in licence numbers is not an arbitrary decision of policy makers or Government that may result in the destabilisation of personalised transport and the undermining of service sustainability.

A review of the current Taxi Demand Model by RPS confirmed the appropriateness of the current approach to assessing the need for additional taxi supply. However, opportunities exist to further enhance the accuracy and responsiveness of the Taxi Demand Model to better reflect the changing needs of Queenslanders and the emergence of new technologies.

Recommendation 30: *Expand the scope of the Taxi Demand Model to take into consideration demand for all forms of personalised transport as well as a wider range of non-population factors in demand including technology take up and economic activity both realised and planned.*

Instead of de-regulating the supply of personalised transport vehicles, either through the removal of taxi market entry restrictions or legalising “ride sharing”, focus instead should be on maximising the efficiency and utilisation of taxis as a major form of public transport for Queenslanders. Currently, the responsibility for fleet efficiency is vested with TBCs through the establishment of enforceable MSLs under Service Contracts with the Queensland Government. Realising these efficiencies however, requires TBCs to have sole management responsibility over a critical mass of vehicles within the designated Service Area. This is dependent on the maintenance of current mandatory affiliation requirements for vehicles and drivers with a single TBC.

Recommendation 31: *Mandatory affiliation of vehicle and drivers with a single booking company must be retained to ensure fleet efficiency of this major form of public transport is maximised to the benefit of Queenslanders.*

This approach will ensure the Queensland taxi fleet remains the most efficient in the world, providing high quality, timely and accessible services for Queenslanders and delivering essential public transport services for the whole community.

Conclusions

The Queensland Taxi Council thanks the Review and the Government for providing this submission. We commend the Terms of Reference and Guiding Principles and have endeavoured to respond with recommendations that capture the opportunities for personalised transport over the next 20 years and deliver real benefits to all Queenslanders.

The Recommendations outlined in this submission are consolidated below for your convenience.

- **Recommendation 1:** “Ride sharing” must not be legalised in Queensland as it offers no net benefit to the Queensland community and represents a major economic, social, fiscal and regulatory risk to the State and to Queenslanders.
- **Recommendation 2:** USOs on the taxi industry must be retained and expanded to cover all forms of personalised transport that provide services to Queenslanders.
- **Recommendation 3:** Taxis and all forms of personalised transport should be governed by a single, consistent regulatory framework administered by the State Government. Regulations should not differ between forms of personalised transport so as to ensure all Queenslanders are protected regardless of how they travel.

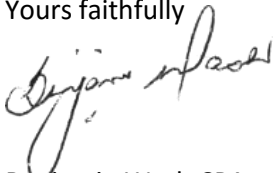
- **Recommendation 4:** Embrace and fully integrate taxis as part of Queensland’s Public Transport Network, delivering on the Department of Transport and Main Roads (“TMR”) vision of “Creating a single integrated transport network accessible to everyone”. Additional benefits include easing congestion, traffic incidents and parking issues.
- **Recommendation 5:** Taxis should be considered in all transport planning activities including being integrated into the wider public transport and fare models to aid efficiency, service delivery and customer outcomes to build a truly integrated network.
- **Recommendation 6:** Incorporate goCard payment facilities in all taxis across the State.
- **Recommendation 7:** Consider the use of taxis in the delivery of Government-funded community transport services including streamlining and centralising procurement and funding by Government.
- **Recommendation 8:** Queenslanders who catch taxis should be exempt from road tolls, in line with other forms of public transport in the State.
- **Recommendation 9:** A Lift Fee should be introduced for all taxi jobs involving wheelchair passengers, payable to the driver prior to the distribution of funds.
- **Recommendation 10:** Integrate disability and mobility support payments (e.g. TSS, NDIS) with goCards to provide cost savings for the State Government and Queenslanders.
- **Recommendation 11:** All providers of personalised transport in Queensland should have a Service Contract with Government for a defined Service Area to ensure appropriate standards and level of service are met and to provide Government with greater enforcement capabilities.
- **Recommendation 12:** Establish an independent regulatory and compliance authority responsible for the development, management and enforcement of uniform regulations in the personalised transport sector.
- **Recommendation 13:** Current MSLs should be reviewed to ensure their continued alignment with community expectations.
- **Recommendation 14:** All personalised transport providers be expressly prohibited from the use of “surge pricing” in their fare structure, to prevent the exploitation of Queenslanders, particularly those with disabilities or under the influence of alcohol.
- **Recommendation 15:** Receipts for customers using personalised transport services should include an itemised breakdown for all components of the taxi fare – including all charges, tolls, and fare components, driver identification details, the route taken and where customer complaints can be made – to increase fare transparency for Queenslanders.
- **Recommendation 16:** The maximum fare chargeable by personalised transport providers to Queenslanders should be enshrined in regulation to ensure fare transparency and certainty for passengers.
- **Recommendation 17:** The portion of personalised transport fares for the booking of the service should be regulated at a fixed rate.
- **Recommendation 18:** The structure and application of fares and tariffs should be reviewed with the view of simplifying and reducing fares for Queenslanders.
- **Recommendation 19:** Current CTP requirements for Queensland taxis should be reformed with the goal of reducing costs to operators and reducing fares.
- **Recommendation 20:** Review and implement opportunities for “red-tape reduction” with the objective of improving sustainability of services and providing savings to consumers.
- **Recommendation 21:** All authorised personalised transport service providers should have a comprehensive police background checks monitored daily.
- **Recommendation 22:** The regulator should establish and manage a central driver registration system to monitor

driver activity across the personalised transport sector to help enforce driver fatigue standards.

- **Recommendation 23:** Review the regulation on use of personal telecommunication devices during personalised transport trips.
- **Recommendation 24:** Review the regulations and infrastructure related to the pickup and drop off of passengers by taxis.
- **Recommendation 25:** Pre-Booked personalised transport services should be prohibited from Safe Night Out Precincts during high risk times to ensure passenger and pedestrian safety is not compromised and to minimise congestion.
- **Recommendation 26:** All authorised providers of personalised transport must be readily identifiable to members of the community and to enforcement and compliance officers. This may include category-specific number plates and signage and the use of recognition technologies.
- **Recommendation 27:** Any change to Queensland's current best practice personalised transport regulatory framework must be accompanied by an appropriate compensation package, including full compensation for licence owners who purchased their licence from the Government in good faith.
- **Recommendation 28:** Expand the application of vehicle age limits to all forms of personalised transport.
- **Recommendation 29:** The total supply of vehicles must be regulated across the entire range of personalised transport services, in line with international best practice and experience. This should consider the impacts of vehicle numbers on congestion and balance the needs of Queenslanders with the long-term sustainability of service delivery.
- **Recommendation 30:** Expand the scope of the Taxi Demand Model to take into consideration demand for all forms of personalised transport as well as a wider range of non-population factors in demand including technology take up and economic activity both realised and planned.
- **Recommendation 31:** Mandatory affiliation of vehicle and drivers with a single booking company must be retained to ensure fleet efficiency of this major form of public transport is maximised to the benefit of Queenslanders.

Should you have any questions, or wish to arrange a time to meet, please do not hesitate to contact me at ceo@tcq.org.au.

Yours faithfully



Benjamin Wash CPA
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