

Transport and Other Legislation (Hire Services) Amendment Regulation 2016

Explanatory notes for SL 2016 No. 161

made under the

Nature Conservation Act 1992

Recreation Areas Management Act 2006

State Penalties Enforcement Act 1999

Transport Operations (Passenger Transport) Act 1994

Transport Operations (Road Use Management) Act 1995

General Outline

Short title

Transport and Other Legislation (Hire Services) Amendment Regulation 2016

Authorising law

Section 175 of the *Nature Conservation Act 1992*

Section 232 of the *Recreation Areas Management Act 2006*

Section 165 of the *State Penalties Enforcement Act 1999*

Sections 12, 29, 70(4), 92 and 155, and schedule 3 paragraph (g) of definition of 'public passenger vehicle', of the *Transport Operations (Passenger Transport) Act 1994*

Sections 146, 148 and 171 of *Transport Operations (Road Use Management) Act 1995*

Policy objectives and the reasons for them

On 11 August 2016, the Queensland Government announced reforms to the regulation of personalised transport services in Queensland, including taxi, limousine and booked hire services. The purpose of the *Transport and Other Legislation (Hire Services) Amendment Regulation 2016* is to implement the first stage of the government's announced reform program.

The objectives of the amendments are to:

- strengthen safety requirements for hire services;
- encourage competition and customer choice in the booked hire services market;
- establish minimum consumer protections relating to fares payable for hire services; and
- provide a more equitable regulatory framework for drivers and operators of all hire services.

Achievement of policy objectives

Strengthen safety requirements

The objective of strengthening safety requirements for hire services will be achieved by:

- disclosing current driver authorisation numbers so that the industry is able to verify whether drivers have a current driver authorisation;
- removing the exemption for taxi and limousine drivers from wearing seatbelts;
- requiring booked hire vehicles to be identifiable;
- imposing requirements about vehicle safety and maintenance on driver operators of booked hire services;
- requiring owners of booked hire vehicles to hold a safety certificate that is valid for 1 year;
- requiring owners of taxis and limousines to hold a certificate of inspection that is valid for 1 year;
- ensuring the no alcohol limit applies to all hire services; and
- increasing the penalty for soliciting or touting from 2 to 4 penalty units.

Encourage competition and customer choice

The regulation will encourage competition and increased customer choice in the market of booked hire services by allowing a person to provide a booked hire service in a vehicle that is not a taxi, while preserving exclusively for taxis those hire services provided from taxi ranks or hailed from a road. Opening up the booked market will create opportunities for both new and existing participants.

Create minimum consumer protections

The regulation will establish minimum consumer protections relating to fares by requiring:

- drivers or booking entities of booked hire services to provide hirers a fare estimate before commencing a service and that the fare not exceed the fare estimate; and
- drivers of all hire services to provide hirers with itemised receipts on request.

Establish a more equitable framework

A more equitable regulatory framework for drivers and operators of hire services will be established by:

- removing obligations relating to customer service standards that are imposed on the taxi and limousine industries, including among others:
 - English language proficiency;
 - knowledge of common destinations;
 - minimum age limit for taxi drivers (noting that a driver must still have held an open or provisional driver licence for a minimum of 3 years);

- taxi driver training competencies;
 - drivers dressing neatly;
 - regulation of extra charges;
 - accepting electronic payment;
 - programming of taximeters;
 - driving in an efficient manner;
 - maximum age limits for taxis;
 - controlling doors in taxis;
 - operation of air conditioning;
 - vehicle type restrictions; and
 - ensuring vehicles are clean and tidy;
- applying the requirements for driver authorisation consistently for all hire services, including:
 - holding an Australian driver licence (or Austroads recognised equivalent) for at least 1 year;
 - imposing the same fees for driver authorisation; and
 - exempting drivers of booked hire vehicles from requirements to ensure passengers use seatbelts and child restraints.

Consistency with policy objectives of authorising law

The amendments are consistent with the policy objectives of the authorising laws.

Inconsistency with policy objectives of other legislation

The amendments are not inconsistent with the policy objectives of other legislation.

Benefits and costs of implementation

The expected consumer benefits as a result of the regulation are large. While there are offsetting costs for other industry stakeholders, these costs are not large relative to total benefits.

The regulation sees safety standards strengthened as a number of safety related compliance requirements will be imposed on booked hire services such as driver authorisation and vehicle inspections. These measures will contribute to ensuring the safety of passengers and the public, which is of paramount importance.

The regulation will promote competition and innovation in the booked hire services industry. Competition will provide customers with greater choice and improved outcomes such as reduced wait times and more competitive fares. Competition will also encourage new and innovative service offerings by both existing and new industry participants, ultimately growing the overall market for hire services.

With increased competition in the booked hire market, maximum fares no longer need to be set through regulation for booked hire services. However, consumer protections such as a fare estimate and the provision of an itemised receipt will ensure that the fares charged for booked hire services are transparent and customers are protected from excessive charges.

The regulation will also provide the existing taxi and limousine industries with more flexibility to respond to an increase in competition in the booked hire market. Regulations will continue to be imposed on the industry to the extent necessary to ensure safety, equitable access and accountability. However, in a more competitive environment, customer service standards will no longer be regulated. Rather, these standards will be dictated by customer preferences and needs. This is expected to reduce regulatory compliance and administration costs for both industry and government.

Costs of implementation to government will be met from existing departmental resources, noting that an additional \$100 million has been allocated for an Industry Adjustment Assistance Package to assist the taxi and limousine industries to adjust to personalised transport reforms.

Consistency with fundamental legislative principles

The amendments are consistent with fundamental legislative principles.

Consultation

Extensive community consultation on personalised transport reform has been undertaken as part of the independent Opportunities for Personalised Transport Review commissioned by the Queensland Government.

The Department of the Premier and Cabinet; Department of Justice and Attorney-General; Department of National Parks, Sport and Racing; Queensland Police Service; and Queensland Treasury were consulted in relation to the amendments. All government departments support the proposed amendments.

The Office of Best Practice Regulation (OBPR), Queensland Productivity Commission was also consulted in relation to the Regulatory Impact Statement System.