

Rural and Regional Adjustment (Wheelchair Accessible Taxi Grants Scheme) Amendment Regulation 2019

Explanatory notes for SL 2019 No. 262

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Wheelchair Accessible Taxi Grants Scheme) Amendment Regulation 2019

Authorising law

Sections 3, 10, 11 and 44 of the *Rural and Regional Adjustment Act 1994*.

Policy objectives and the reasons for them

The policy objectives of the subordinate legislation are to modernise, and reduce the average age of, the wheelchair accessible taxis (WAT) being used to provide taxi services in Queensland; and to provide the opportunity to replace taxis that are not WAT with new WAT. The assistance is in response to industry concerns about an ageing WAT fleet, and the need to ensure continuity of accessible taxi services to those with reduced mobility throughout Queensland.

The capital replacement cost per WAT is approximately \$90,000, which is considered an economic impediment to the ongoing operation of a viable fleet of WAT in Queensland. The Queensland Government has committed \$21 million in grant funding to assist the Queensland taxi industry with the cost of purchasing and modifying new vehicles to be used as WAT. It is envisaged the funding assistance will decrease the average age of Queensland's WAT fleet from 6.3 to 3.2 years.

Achievement of policy objectives

The subordinate legislation achieves the policy objective by establishing the Wheelchair Accessible Taxi Grants Scheme (the scheme) as an 'approved scheme' under the *Rural and Regional Adjustment Act 1994*. The Queensland Rural and Industry Development Authority (the Authority) can only give financial assistance under an approved scheme.

The scheme will provide 50 per cent co-contribution grants to taxi service licence holders of up to \$45,000 per taxi service licence. The grants will assist with the costs of purchasing and making eligible modifications to eligible vehicles to operate as a WATs.

To be eligible for assistance under the scheme, the applicant must be the holder of a taxi service licence which has a WAT condition on the licence that allows the holder to operate a WAT, or who will be applying to the chief executive to amend his or her licence to include a WAT condition that allows the vehicle to be operated in particular taxi service areas. The applicant must also be registered for Goods and Services Tax.

In addition to being an eligible licence holder, the applicant must have, or be intending to replace, one of the following categories of vehicles operating under his or her taxi service licence:

1. a WAT which is 8 years or older at the time it was replaced or at the time of application;
2. a WAT which is between 6 and 8 years old and which has completed 800,000km or more and requires an estimated \$10,000 (excluding GST) worth of repairs;
3. a WAT of any age which has been written off by an accredited insurance adviser;
or
4. a taxi vehicle that is not a WAT.

Applications for assistance will be assessed by the Authority on a competitive basis. Preference will be given to applications to replace a vehicle in the order (1-4) indicated above.

If an applicant has already purchased and modified an eligible vehicle to operate as a WAT, he or she may still be eligible if he or she began providing a taxi service on or after 1 July 2019. If an applicant is intending to purchase and modify an eligible vehicle to operate as a WAT, the applicant must satisfy the Authority that they have available funding to meet the 50 per cent co-contribution requirement.

Additional conditions of assistance will apply, including that a new WAT must generally be available to operate a taxi service no more than three months after the applicant receives assistance under the scheme; and the applicant must enter into an agreement with the Authority that the vehicle will continue operation as a WAT under the current licence for a minimum period of three years after the WAT begins providing a taxi service.

Consistency with policy objectives of authorising law

The subordinate legislation is consistent with the objectives of the Act.

Inconsistency with policy objectives of other legislation

The subordinate legislation is consistent with the policy objectives of other legislation.

Alternative ways of achieving policy objectives

An alternative way of achieving the policy objective would be for the provision of assistance to be handled administratively by the Department of Transport and Main Roads. However, prescribing an approved scheme under the *Rural and Regional*

Adjustment Act 1994 will be more efficient as the Authority is a specialist administrator of government financial assistance programs.

The *Rural and Regional Adjustment Act 1994* provides that the Authority's primary function is to ensure that assistance schemes are properly and fairly administered, and directly give the assistance for which the schemes provide. The Authority has extensive experience in administering grant, loan and rebate schemes for government and is well placed to administer the scheme.

Benefits and costs of implementation

The scheme will assist taxi service licence holders with the costs associated with purchasing and modifying eligible vehicles to operate as WAT. This will help ensure the continuity of accessible taxi services for those with reduced mobility throughout Queensland. It is estimated that this will decrease the average age of WAT in Queensland from 6.3 to 3.2 years.

The Queensland Government has committed \$21 million in grant funding to assist with the cost of purchasing and modifying new vehicles to be used as WAT through the scheme.

Consistency with fundamental legislative principles

The subordinate legislation has been drafted with regard to, and is consistent with, the fundamental legislative principles as defined in section 4 of the *Legislative Standards Act 1992*.

Consultation

In September 2018, the Minister for Transport and Main Roads met with 13Cabs and the Taxi Council of Queensland regarding their concerns about the sustainability of Queensland's WAT fleet and about the development of the scheme. The Department of Transport and Main Roads subsequently consulted with Spinal Life Australia and the broader disability advocacy industry about their concerns regarding Queensland's WAT fleet and the development of the scheme.

Following the announcement of the scheme, the Department of Transport and Main Roads consulted with the broader taxi industry at the 2019 Taxi Council of Queensland Conference in Cairns. As a result of this consultation, the parameters of the scheme were expanded and the Taxi Council of Queensland indicated it was supportive of the scheme.

The Department of Agriculture and Fisheries sought advice from the Office of Best Practice Regulation (OBPR) within the Queensland Productivity Commission. The OBPR advised that the proposal is excluded from further analysis under the *Queensland Guide to Better Regulation* on the basis of category (k) – *regulatory proposals that are designed to reduce the burden of regulation, or that clearly do not add to the burden, and it is reasonably clear there are no significant adverse impacts*.