

**Submission to Competition Policy Review – Feedback on Draft Report (September 2014)
November 10, 2014**

RE: *Draft Recommendation 6 – Taxis*

States and Territories should remove regulations that restrict competition in the taxi industry, including from services that compete with taxis, except where it would not be in the public interest.

If restrictions on numbers of taxi licences are to be retained, the number to be issued should be determined by independent regulators focused on the interests of consumers.

Feedback Executive Summary:

- Competition within the taxi industry should be allowed and encouraged - *provided that all services* (including any new entrant competitors) fully comply with all current (and any future) government mandated regulations governing the taxi industry – ie everyone must operate under the same rules. It is not in the public interest, nor the long term interests of consumers for competitors in the same industry to be governed by different rules.
- Complex structures utilising foreign entities and ownership to enable minimisation of Australian taxation obligations must not be permitted for any people or organisations working or involved in the taxis industry. It is not in the public interest for this to be permitted.
- It is in the public interest for the existing stringent government-mandated requirements regarding taxis services in Australia to be maintained and continuously monitored/reported in order to preserve safety of passengers and drivers, equity of timely access to services, and fairness and constancy of pricing. This will help minimise the possibility of exploitation of vulnerable members of the Australian community.
- The number of approved taxis service licences operating in any given area must balance the need for owners/operators to achieve a commercial return on equity with the stringent requirements and obligations of the licences - including the provision of a compulsory and continuous service which achieves mandated monitored benchmarked performance criteria to deliver a service which meets the needs of governments and consumers. Given that the taxis industry provides a privately funded essential public service to the community, this can only be achieved through cooperative negotiations between governments, consumers and all taxis industry participants.
- It is inappropriate for the Competition Policy Review draft report to include the mention and/or apparent advocacy of a specific named private foreign company as a valid and worthy competitor in the taxis industry and this **MUST** be removed prior to publication of the final report.
- True competition in the taxis industry must be on a like for like basis. It is inappropriate to suggest that unregulated (and illegal) passenger transport (such as hitchhiking, ride-sharing mobile phone applications, or ‘purchasing a lift’ via websites such as ‘AirTasker’) are valid competitors to the highly regulated taxis service industry which is required to provide a continuous 24 hour per day, seven day per week service to all people (including the disabled who use wheelchairs) while fully

complying with all government regulations mandating vehicle, driver, safety, monitoring, and fare details/requirements.

- Given that, at any point in time, there are always a number of taxis service licences for sale/available for purchase, the barrier to entry is not the current number of taxis service licences, but rather access to capital to enable potential purchasers to buy them. Improving access to capital for the purchase of taxis service licences would broaden the ownership base and potentially enhance competition while fully complying with legislated requirements. As a mechanism to enhance competition in the taxi industry, a recommendation covering this issue would be more useful and appropriate, rather than promoting the use of unregulated and illegal services that do not incorporate all of the legislated safeguards that the Australian community has demanded for the taxi industry over the last century.
- Mobile phone applications to connect a passenger to a taxi service/driver are not a new and disruptive technology as they have been in use by the major taxis booking companies (eg Black and White Cabs, Yellow Cabs, Gold Coast Cabs etc) for some time. These are simply one (of a large number of means) of hailing a legitimate taxi. The example provided in the draft report highlights how a similar process can be used by a limited subset of the population (those who own and use a smart phone with internet connection) for illegal activities such as to access passenger transport at potentially grossly inflated prices. It is not in the public interest, nor in the long term interest of consumers, for such activities to be legitimised, or for access to on demand door to door passenger services to be restricted to members of the community who can afford to pay above market prices and who own a smart phone with internet connection (which is likely to discriminate against children, the elderly, people of a lower socio-economic status, pensioners, the unemployed, and the disabled).
- It is acknowledged by taxis service licence owners, operators and taxi drivers that earnings during times of peak demand offset the losses of providing a compulsory service when, from a fundamental business perspective, it is not financially viable to do so. This occurs without the use of price discrimination or surge pricing, but under the umbrella of regulated government mandated published standard fares which are identical for all consumers. Allowing unregulated competing services to erode the earnings of regulated taxis services during times of peak demand is likely to result in loss of legitimate taxis from the market with the consequential loss of available services during the quieter (off-peak) times. It is clearly not in the public interest, nor in the long term interests of consumers for on demand door to door passenger transport services (taxis) to only be available during times of peak demand (which is the basis of other public transport services – eg buses).

Detailed Feedback:

RE: Draft Recommendation 6 — Taxis

States and Territories should remove regulations that restrict competition in the taxi industry, including from services that compete with taxis, except where it would not be in the public interest.

If restrictions on numbers of taxi licences are to be retained, the number to be issued should be determined by independent regulators focused on the interests of consumers.

The stated aim of the Competition Policy Review is:

“In the Panel’s view, competition policy should:

- make markets work in the long-term interests of consumers;
- foster diversity, choice and responsiveness in government services;
- encourage innovation, entrepreneurship and the entry of new players;
- promote efficient investment in and use of infrastructure and natural resources;
- establish competition laws and regulations that are clear, predictable and reliable; and
- secure necessary standards of access and equity.”

Background:

The taxis industry provides an essential service to the community as one element in the mass transit public transport system.

Taxis services

- Are available on a 24 hour/seven day per week basis
- Are available on demand
- Provide a door to door service
- Have fixed set government mandated fares that are publicly displayed in every taxi

No other elements of the public transport system provide a similar service (trains, buses, ferries, planes, trams provide scheduled services from/to designated points of departure/arrival with service frequency rapidly declining away from times of peak demand).

Taxis services may be the only safe means of travel for vulnerable people who are impaired and unable to travel independently. This may include the disabled, the young, and the elderly, as well as those affected by medications, alcohol or drugs.

Taxis services are also regularly used as a reliable mechanism to transport urgent medical specimens for diagnostic testing, or blood for urgent life-saving transfusions between hospitals

Detailed analysis of the issues:

1. Current obligations/mandatory requirements of Taxis Service Licence owners/operators
2. Taxation of income from Taxis
3. Driver and Taxis Service Licence Owner standards
4. Safety for drivers and passengers
5. Competition of a like for like service
6. Encourage innovation and foster diversity
7. Current barriers to entry into the taxi industry
8. Mobile phone ride sharing applications: Reports of exploitation of consumers and drivers and predatory behaviour
9. Feedback on specific statements in the draft report relating to the taxi industry

1. Current obligations of Taxis Service Licence owners/operators

All existing and new Taxis Service Licences (at least in Queensland) have a large number of mandatory requirements attached and, if these are not continuously met, the licence can be suspended or cancelled.

Some examples of mandatory requirements include:

Vehicle details:

Mandated specific vehicle requirements

- Installation of mandated taxi-specific equipment to ensure safety of driver and passenger
 - Duress alarm
 - GPS tracking
 - Camera surveillance with video and audio recording
- Installation of mandated taxi-specific equipment to ensure fairness of charges to consumers
 - Standard government mandated fares
 - Fares published and visible within the taxi
 - Automated taximeters to ensure correct tariffs etc
- Installation of mandated taxi-specific equipment to ensure access of services to all consumers
 - Government mandated wheelchair accessible vehicles
 - Braille markings on taxi door handles
 - Hail lights to clearly identify when a taxi is available for hire
- Vehicle air-conditioning
- Vehicle child anchor restraint fittings

Mandated vehicle and passenger safety and protection matters:

- Appropriate vehicle registration
- Appropriate vehicle safety certification
- Appropriate vehicle insurance – including for passengers/injuries – compulsory third party insurance

Mandated service accessibility:

- Vehicle must be available for passenger hire 24 hours per day, seven days per week

Source: See Appendix A – Extract from a recent Queensland Taxis Service License tender document (Tender Conditions for one (1) Wheelchair Accessible Taxi Service Licence Redcliffe Taxi Service Area QPT001/14 February 2014)

Comment:

All competitors offering on demand door to door passenger transport MUST meet the same mandatory requirements.

Specifically, if alternate services are allowed to compete without the same requirements, it would not be in the public interest and it would fail to fulfil the aims of the review – particularly the long term interests of the consumer.

An example would be a person with a standard drivers licence (who had lost demerit points for speeding, reckless driving, failing to stop at a red light, and causing a traffic accident) taking a passenger in an older model vehicle (eg no air bags, no ABS brakes, no traction control, no child restraint anchor points) with only standard third party insurance (ie void if taking a fare paying passenger) being prepared to transport fare paying passengers only at times that suit them.

The impact of this is that it competes with, and therefore diminishes the financial viability of, taxis operating in full compliance with the law, and fulfilling all requirements of the government – including the safety of drivers and passengers.

The long term outcome of such a scenario would be that the services operating lawfully would be forced out of business and the only services available to consumers would be ad hoc services operating outside of the existing standards. Undoubtedly, consumers would demand improved standards for drivers, vehicles, and service availability. Governments would then be forced to introduce legislation, and the end result would be similar to the existing legislated requirements for Taxis Serviced Licences and Operators in Queensland.

2. Taxation:

Current taxis licence owners, operators and drivers are required to be registered for GST and to pay all required income tax.

Recently, there has been widespread information in news reports outlining how foreign corporations (reportedly by using complex structures based in multiple countries) are able to avoid paying standard amounts of taxation in Australia (eg <http://www.abc.net.au/news/2014-03-06/tax-expert-explains-how-apple-pays-193m-tax-on-27b-revenue/5303426> and <http://www.theguardian.com/business/2014/nov/06/luxembourg-tax-files-the-australian-companies-engaged-in-tax-avoidance>).

Comment:

Again, it is clearly NOT in the public interest, nor in the long term interests of consumers if foreign corporations using such structures and arrangements were to be allowed to enter or compete with the existing taxis industry as this could deprive Australian governments of taxation revenue which is used to provide infrastructure and services to the Australian public in areas such as transport infrastructure, healthcare/hospitals, law enforcement, and education.

3. Driver and Taxis Service Licence Owner standards

In Queensland, all Taxi Service Licence owners **must** have full Operator Accreditation (a formal process requiring application and approval from the Department of Transport).

Additionally in Queensland, all Taxis Operators must have government approved Operator Accreditation and all Taxis Drivers must have full Driver Authorisation.

Over the past six years in Queensland, in response to consumer concerns about taxis driver standards (because foreign students were working as taxis drivers and consumers felt that the language and knowledge of these drivers was not at level acceptable to the consumer), Queensland Transport significantly increased the requirements for taxi drivers to include minimum standards in knowledge and English language.

Comment:

While there was open competition amongst potential drivers of taxis, the consumers demanded mandatory requirements and minimum standards to be legislated to meet consumer needs. Therefore it is not in the public interest, nor in the long term interests of the consumers to allow competitors to the existing taxis industry that are not required to meet the same minimum mandatory requirements that consumers have already forced governments to legislate.

4. Safety for drivers and passengers

There are current requirements for all taxis to be fitted with GPS tracking, emergency distress alarms, and continuously recording security cameras (visual and auditory).

Comment:

In Queensland, these devices have been legislated to be mandatory to safeguard the welfare of both the passengers and the drivers. Drivers have used the emergency distress systems for their own protection, and police and courts have used these devices to prosecute offenders – including passengers and drivers who have committed offences. Indeed, to meet the needs of the public interest, the mandated camera recording systems in Queensland have recently been required to be upgraded from visual only, to now include both visual and audio recording.

It would be a retrograde step and not in the public interest, nor in the long term interests of the consumer to allow competitors to the current taxi industry that failed to provide the same safeguards and level of protection that passengers, drivers, and the broader Australian community have already demanded and that governments have mandated by legislation

5. Competition of a like for like service

While it is essential for consumers to have access to a broad choice of providers of any service, and open competition provides price pressures which can benefit consumers, it is imperative that legislation and competition policy does not provide an opportunity for exploitation or harm to the

consumers and general public. This is particularly so, where legislation already exists for the protection of the consumer.

Ride sharing mobile phone applications are more akin to hitchhiking with some payment/compensation (in either money or kind) than they are to the highly regulated taxi industry.

To emphasize this point, it is possible to make an analogy of the example referenced in the draft report to other services in society that involve highly regulated industries with government mandated safeguards for the consumer:

Comparisons made in the draft review that suggest, and even advocate, that ride sharing mobile phone applications are valid competitors for the taxi industry.

Such comparisons would be akin to suggesting that a beauty therapist (with a TAFE Certificate IV qualification) would be a valid competitor to a plastic and reconstructive surgeon (with a medical degree and post-graduate qualifications as a specialist surgeon and Fellow of the Royal Australasian College of Surgeons and member of the Australian Society of Plastic Surgeons) and that both should be allowed (under competition legislation) to perform the same tasks including such things as injecting Schedule 4 (prescription only) medications and performing surgical procedures to enhance appearance (eg face lifts, breast augmentation surgery).

The surgeon has to have mandated qualifications recognised by the appropriate government authority (the Australian Health Practitioner Regulation Agency - AHPRA), and registration requires evidence of appropriate indemnity insurance and ongoing continuing professional development and education. None of these apply to the beauty therapist.

While superficially it may appear that the consumer may be able to more easily access a beauty therapist, and the beauty therapist may offer to undertake the 'same' procedure at a cheaper price, the service and full compliance with all regulatory requirements that have been put in place to help ensure consumer safety do not apply equally, the services offered are not the same, and legislation is in place to prevent the beauty therapist providing the same services that a qualified plastic surgeon is allowed to provide.

On a like-for-like basis, equally qualified plastic surgeons can and do compete. This may be on the basis of access (waiting times for appointments), presentation (style and fit out of offices), quality of work and reputation, and/or cost (amount of out of pocket expenses).

In the same way that it would be inappropriate for the Competition Policy Review to suggest that legislation should be changed to allow beauty therapists to perform the same services as qualified plastic surgeons, it is grossly inappropriate for the draft review to advocate unregulated services (such as ride sharing mobile phone applications) to undermine or replace the existing highly regulated taxi industry in Australia.

6. Encourage innovation and foster diversity

The draft review seeks to encourage innovation and entrepreneurship. Certainly that taxi industry is keen to embrace new ways of doing business in order to improve service delivery, enhance the customer experience, and reduce costs.

Within the industry, above and beyond the mandated requirements, there are many examples of this including:

- Uniforms for drivers
- Driver standards on presentation
- Minimum vehicle standards
- Vehicle standards on presentation
- Reducing carbon emissions with use of LPG and hybrid vehicles
- Providing a range of vehicle options catering for different needs of consumers including
 - Standard vehicles
 - Station wagon vehicles
 - People mover vehicles
 - Wheelchair vehicles (single or dual wheelchair vehicles)
 - Vehicles that can carry large groups (eg 11 passengers in one vehicle)
 - Upmarket/business class vehicles
- Drivers who provide assistance to passengers (load and unload luggage, groceries etc)
- Drivers who transport urgent medical samples and blood who physically collect such items from a specific location within a hospital (eg emergency blood for transfusion collected from a blood bank/pathology laboratory) and deliver them to another specific physical location in a different hospital (eg to a labour ward to provide an urgent life-saving transfusion for a woman who has just given birth)
- Consumer access to taxi services via a wide range of options (ie not just restricted to consumers who have access to smart phones and the internet) including:
 - Direct hail on the street
 - Access at designated taxi ranks
 - Access via the telephone (standard land line, mobile, dedicated telephone lines in a range of public locations (eg hotels, hospitals, airports))
 - Access via applications on mobile phones/devices
 - Access via computers and the internet

Competing taxi booking companies/operators can and do optimise any and all of these areas in order to attract customers from competitors. It is in the long term public interest for this to continue.

However, it is not in the long term interest of the public to allow unregulated services to cannibalise and undermine the financial viability of existing services which fully comply with all government mandated requirements of taxis services. It is also not in the long term interests of consumers for access to taxi services to be limited strictly to consumers who have access to smart mobile phones with internet connections and who are able to afford very high prices for taxi services during times of peak demand.

7. Current barriers to entry into the taxi industry

The draft report implies that it is the number of taxi service licences that are the 'barrier to entry'.

However, this is not the case.

There are always Taxis Service Licences for sale (eg at http://131008.com/cgi-bin/cart/trader.cgi?view_all_old=1&state=&cat=For+Sale++Taxi+Plates&view_all_old=Search)

The real barrier to entry is access to capital.

In Australia, there are a number of major banks that simply do not lend money secured against a Taxi Service Licence. While some banks do provide finance for the purchase of a Taxi Service Licence, they are only prepared to lend 50% of the value of a licence (compared to 80-100% for residential property).

A mechanism to remove this barrier to entry for the taxi industry would be to encourage financial institutions to lend up to 80% of the value of a taxi service licence. This would afford more taxi drivers the opportunity to purchase their own licence.

Of note, at least some ride sharing mobile phone applications (such as Uber) do not have this problem as they have large financial backers and can readily access large amounts of capital (eg details at <http://www.penews.com/today/pressdigest/content/4073545170>).

Another article (at <http://www.ft.com/cms/s/0/639364b2-eda1-11e3-8a00-00144feabdc0.html>) highlights Uber's capital raising of \$1.2 billion in June 2014, and also flags that Uber "will use this money to fuel its rapid expansion and head off threats from rivals".

There is a further report on November 9 (<http://www.skynews.com.au/business/tech/2014/11/09/uber-value-tipped-to-hit--us30bn.html>) suggesting that Uber is in the process of raising a further \$2 billion "to build its war chest". Clearly this is predatory behaviour with a large international corporation using its ready access to capital to damage the financial viability of existing businesses that are operating within the law.

In the Brisbane forum held by the review panel, it was suggested that the market price of a taxis service licence is a barrier to competition. However, the current market price of a taxis service licence is similar to the price/investment required to establish any small business – eg to lease and fit out a retail outlet or to purchase a franchise. There are costs associated with the establishment of any business enterprise and the return on investment for a taxi service licence is only modest (eg 5-7%).

8. Mobile phone ride sharing applications: Reports of exploitation of consumers and drivers and predatory behaviour:

The article (at <http://www.ft.com/cms/s/0/639364b2-eda1-11e3-8a00-00144feabdc0.html>) also claims that Uber uses 'surge pricing' to charge consumers up to eight times a standard price during

periods of peak demand. This is reinforced by claims from passengers such as “*Raleigh, NC - My daughter was charged \$193 to go 5 miles Halloween night!!! I understand increasing the rate during high demand times but this was almost 10x the normal rate. She thought she was agreeing to 9.8% additional fee NOT 9.8 x the regular rate....lesson learned NO MORE UBER! Yellow cabs will be getting her business*” and “*UBER is a SCAM w/ there [sic] surge explosions. I took Uber on Halloween and was given a pe-quote [sic] of \$20-\$40.. You can imagine my surprise when I saw a charge of \$136.40 to my bank acct. I tried to dispute this cost but I was basically told I was SOL. I will never recommend UBER to anyone, I will never use UBER ever again and I will use the oldfashioned [sic] way to travel if I am going to party.....VIA TAXI CAB.. BTW I think UBER creates their own high demand times as I was charged the \$136.40 at 7:30 pm and for the ride home at 12:30 am only cost \$32.99*” (source <http://www.sitejabber.com/reviews/www.uber.com>).

By comparison, the mandated use of regulated automated taximeters with publicly displayed fixed fare prices established by government authorities, as fitted to all current licensed taxis in Australia, avoids the potential for price discrimination, fare gouging, and exploitation of consumers. Clearly it would not be in the public interest for some providers of passenger transport to be allowed to exploit vulnerable consumers by charging significantly above a standard market price for an identical service.

Similarly, there are numerous reports that appear to be from people who have been either Uber drivers or Uber passengers who have posted complaints and comments suggesting that both drivers and passengers feel exploited by Uber (<http://www.sitejabber.com/reviews/www.uber.com>) and (<http://uberpeople.net/forums/Complaints/>). There are also reports of predatory behaviours with ride sharing application companies (eg Uber and Lyft) booking and cancelling trips in order to disrupt the business of competing firms (<http://www.news.com.au/technology/gaming/uber-and-lyft-accuse-each-other-of-dirty-tricks-by-making-thousands-of-fake-bookings/story-fn81y8rt-1227023471742>)

Comment:

Many taxi businesses in Australia are family owned small businesses – often having evolved from someone who was a taxi driver, then licence owner, to expand and become an operator of their owned and leased/managed licences. These people are committed to the industry, to customer service, and to paying appropriate taxes in Australia.

By contrast, large foreign corporations funded by investment manager capital raisings do not have a vested interest in the provision of taxis services aimed at meeting the needs of all people in Australia at all times of the day. They may use complex structures to minimise taxes payable in Australia and, instead of re-investing in the industry by buying further licences, their prime purpose will be to maximise financial return to institutional shareholders. Clearly any moves that would enable the Australian taxi industry to be overtaken by such entities (that can use foreign institutional funds to gain competitive advantage and charge customers up to eight times a reasonable price for a service) will not be in the long term interests of the public, will not result in improved access to taxi services for all Australians (especially the disabled), and will not result in cheaper fares for consumers.

9. Issues with Specific statements in the draft report:

The draft Competition Policy Review states that:

“Technological innovation is lowering barriers to entry across a range of markets. The company Uber uses a smart phone application to connect users and providers of passenger vehicle services in direct competition with the taxi industry (see Box 1.1). This is an example of digital technology disrupting traditional markets.”

This statement is not supported by the evidence.

Existing taxi operators and booking companies already provide free smart mobile phone applications to connect users/passengers to *legitimate legal, insured, government sanctioned* providers of on demand door to door passenger vehicle services.

Ride sharing mobile phone applications (such as Uber and others) are not “an example of digital technology disrupting traditional markets”, but rather are an example of electronic access to an illegal activity that does not have the same government mandated safeguards for consumers that the taxi industry in Australia has that have been continuously enhanced and strengthened over the past 100 or so years in response to ever increasing consumer expectations and demands.

Similarly, the statement “Innovative competitive entry of this type can lower cost to consumers and widen their choice of providers” is also not supported by the evidence and is akin to saying that, compared to the existing taxi industry, hitchhiking (as an innovative and competitive entry) would lower the cost to consumers and widen their choice of providers. The quotes from Uber passengers regarding price surging highlighted above also indicate that the emergence of such new entrants does not deliver lower costs to consumers.

A much more accurate example of a truly disruptive technology for the taxi industry will be the widespread availability and use of fully autonomous vehicles – something that is likely to occur within the next 5 -15 years. This will come, will change the face of the taxi industry in many ways, and will not require changes in competition legislation in order to provide long term and widespread benefits for consumers.

The draft report also states:

“Reform of taxi regulation in most jurisdictions is long overdue. Regulation limiting the number of taxi licences and preventing other services from competing with taxis has raised costs for consumers, including elderly and disadvantaged consumers, and hindered the emergence of innovative transport services.

Regulation of taxi and hire car services should be focused on ensuring minimum standards for the benefit of consumers rather than restricting competition or supporting a particular business model.”

Again, this statement indicates a failure to fully understand the existing complex modelling that underpins the taxis service industry in Queensland.

There are very strict requirements for all taxis service licence owners, operators and drivers. The licensed vehicles are required to operate 24 hours per day, seven days per week. Taxis services must meet strict government mandated service levels – including response times, consumer satisfaction, and access for the disabled (including those with wheelchairs).

Finely balancing the number of taxi service licenses and licensed vehicles against total demand (rather than ad hoc peak demand) actually optimises the balance of the capital required to run a viable business (a specific licence and specialised vehicles with specific government mandated safety and operational equipment used by accredited drivers) with the business outputs required by governments and consumers (timely access to a safe and secure 24 hour seven day door to door service achieving specified service response and customer satisfaction levels).

From the perspective of a consumer or the review panel, while superficially it may seem appealing to have a full Westfield style shopping centre complex within walking distance to everyone's home, the reality is that this would not be financially viable – either for the shopping centre owners, nor for the individual retailers. Similarly, allowing enormous numbers of taxis to be registered, would not guarantee the level of access that currently exists (a requirement of the licences) nor ensure financial viability of each taxis. Once taxi licence owners lost money with an unviable business, the number of taxis would decrease and consumer access to taxis services could actually be significantly less than is current availability (particularly during off-peak periods).

Conclusions:

- The taxi industry in Queensland (and Australia) currently is highly regulated and is governed by legislation that has been put in place in response to community demands and/or by regulators interested in ensuring public safety and accountability.
- The taxi industry currently provides a privately funded essential public service by providing on demand 24 hour per day, seven day per week door to door services for all members of the community (including the disabled, vulnerable, and disadvantaged).
- The taxi industry currently provides this service with highly regulated and publicly available fares with no opportunity for vulnerable members of the community to be exploited via price discrimination, surge pricing, or fare gouging.
- While competition in the taxi industry on an equal playing field is welcome, it is not in the public interest for new entry competitors to provide services to the community that have any lower level of safeguards for passengers and drivers, that fail to provide services to all members of the community on an equal basis (eg disabled in wheelchairs), or that exploit vulnerable members of the community via price discrimination or surge pricing.
- Competition in the taxi industry could be increased by improving access to capital thus enabling more taxi drivers to purchase their own taxi service licence.
- Competition and radical reform will occur in the taxi industry in the near to medium term with the introduction of commercially available autonomous vehicles.
- Because of the government mandated public interest community requirement for continuous service provision, equal access for all people (including the disabled in wheelchairs) together with mandated response time performance criteria (even at times when, like with traditional other forms of public transport it is not financially viable to do so), it will always be necessary for the appropriate number of taxi service licences in any given area to be determined by a panel comprising representatives of government, consumers (including the disabled) and representatives from all parties in the taxi industry.

In Australian states where this already occurs and works successfully, it would not be in either the public interest, nor in the long term interest of consumers, for changes to be recommended that would damage this in such a way that taxi services were no longer available at commercially non-viable locations or times of the day.

- It is essential that all providers of taxi services pay full and appropriate Australian taxes – including income tax, transfer duty (when taxi licences are purchased/sold), GST, fuel excise etc. It would not be in the public interest for people or organisations involved in the taxi/passenger transport industry to use complex foreign entities/structures and locations to minimise or avoid their Australian tax obligations.

Appendix A:

Extracts from a recent Queensland Taxi Service License tender document (Tender Conditions for one (1) Wheelchair Accessible Taxi Service Licence Redcliffe Taxi Service Area QPT001/14 February 2014)

“Applicants are required to meet all departmental criteria for the issue of a Taxi Service Licence.

All applicants should be aware of the provisions of the:

- Transport Operations (Passenger Transport) Act 1994
- Transport Operations (Passenger Transport) Regulation 2005
- Transport Operations (Passenger Transport) Standard 2010.

Copies of the Transport Operations (Passenger Transport) Act 1994, Transport Operations (Passenger Transport) Regulation 2005 and Transport Operations (Passenger Transport) Standard 2010 can be purchased from LitSupport Pty Ltd on 07 3223 9202 or email legislation@litsupport.com.au

Applicants should be aware that other ancillary costs (for example, stamp duty and Goods and Services Tax (GST) may be associated with the purchase of the above Taxi Service Licence. Successful tenderers will be required to have access to a continuously operating taxi booking service as per the terms and conditions of the Taxi Service Licence.

10. (a) Applicants will be required to nominate the vehicle which is proposed to be operated on the licence as a taxi. Applicants must provide written confirmation from the booking company that the vehicle is acceptable to the taxi booking service to which the applicant decides to affiliate.

(b) The vehicle must be capable of carrying one or more wheelchairs, with the minimum capacity being a capability of carrying one wheelchair. The vehicle must comply with the requirements for wheelchair accessible taxis (Annexure G).

(c) The vehicle does not have to be new, but must comply with the maximum age limit of eight years from the date of manufacture as specified for wheelchair accessible taxis in section 67 of the Transport Operations (Passenger Transport) Regulation 2005.

(d) The vehicle must comply with the provisions of the Transport Operations (Passenger Transport) Regulation 2005, the Transport Operations (Passenger Transport) Standard 2010, the Transport Operations (Road Use Management) Act 1995, the Transport Operations (Road Use Management - Vehicle Standards and Safety) Regulation 1999 (or their replacement) and the Australian Design Rules for motor vehicles. The installation of additional instruments or equipment for taxi service operation such as taximeter and two-way radios and mobile data terminals shall meet the requirements of the Director-General (Annexure B).

(e) Any vehicle powered by liquefied petroleum gas (LPG) or natural gas (NGU) must comply with the requirements of the Chief Gas Examiner and Gas Referee.

(f) At all times during which the Taxi Service Licence is valid, the vehicle specified on the licence must:

(i) be currently registered under the provisions of the Transport Operations (Road Use Management – Vehicle Registration) Regulation 2010.

(ii) have in force a current Certificate of Inspection issued under the Transport Operations (Road Use Management – Vehicle Standards and Safety) Regulation 2010. (New vehicles registered as taxis are exempted from inspection at time of first registration.)

(iii) be currently insured under the appropriate class of compulsory third party insurance.

(g) The vehicle is to be fitted with airconditioning and equipment specified in Schedule 5 of the Transport Operations (Passenger Transport) Regulation 2005 such as an approved child restraint anchorage bolt, a hail light and a green distress light (Annexure C).

11. A condition of the licence will require the operator of the licence to have access to a continuously operating taxi booking service in the Redcliffe Taxi Service Area.

12. The successful applicant will be required to make the vehicle, specified in the licence, available for hire at times requested by the taxi booking service to which the applicant decides to affiliate, including 24 hours per day, seven (7) days a week if needed, subject to the request being reasonable.

Annexure B

Guidelines for the installation of taximeter and two-way radios

Taximeter and two-way radios must comply with the Vehicle Standard (Australian Design Rule 44/02 – Specific Purpose Vehicle Requirements) 2006.

Taximeter

1. The taximeter shall be installed and illuminated so that recording figures and hiring charges can be readily seen by all occupants.

Note: In passenger van type taxis a second meter display unit ‘slave meter’ may be required for the rear passengers.

2. No part of the installation shall extend below the lower boundary of the instrument panel as originally installed or as supplied by the vehicle manufacturer for taxi use.

3. A hail light indicator light showing red when the hail light is illuminated shall be installed internal or external to the meter.

4. Multiple Hiring: A 'multiple hiring' indicator light, coloured amber, is to be mounted in the dash panel adjacent to the meter and as close as practicable to such a meter. This light is to be wired internally to tariffs so that it will be immediately illuminated when the meter is engaged for these tariffs. The word 'multiple hiring' in letters six millimetres high is to be positioned immediately below the light or the light so designed to show the word 'multi' when illuminated. Wattage should not exceed three watts.

Note: External indicators lights will not be necessary.

5. Tariffs are as approved by the Director-General of the Department of Transport and Main Roads by Gazette Notice and as reflected on department's endorsed taxi fare stickers.

Two-way radio

The following positions are approved for the location of two-way radios:

Position 1: – Firmly secured in a cradle in the forward portion of the luggage compartment and remote-controlled to a position on the dash.

Position 2: – Small radios: In dash where radio dimensions and dash configuration permit without alterations which are likely to destroy the energy absorption properties of the dash as required by ADR 21 – instrument panels.

Position 3: – Small radios: Immediately below the instrument panel in the area to be right or the left of the steering column, immediately adjacent to the steering column.

Position 4: – In the glove compartment or on the parcel shelf area provided in some later model cars as part of the dash confines, providing it is remote-controlled as in position one and cannot be manipulated by a passenger.

Position 5: – Under the driver's seat. Fitting of radios in this position is acceptable provided that they:

- (a) do not require raising of the seat
- (b) do not interfere with the seat adjustment mechanism
- (c) are remote-controlled as in position one.

Note: Facial dimensions of radios approved for in-dash or under-dash installation must not exceed 70 millimetres in height and 200 millimetres in width.

Taximeters and radio controls

Controls for taximeters and two-way radios shall be readily accessible to the driver when seated in the normal driving position.

Mobile data terminals

The points detailed below form the basis for installation of such units:

- The unit should be securely mounted so as to remain in position in the event of an accident.
- The driver's forward field of vision must not be unduly restricted by the unit.
- Essential instrumentation must not be obscured.
- There shall not be any sharp or protruding edges which are capable of causing injury to the driver or passengers.

Annexure C

Taxi cab distress light

The fitting of a distress light to all taxi cabs is mandatory.

Details of the requirements for the light are as follows:

- Positioning is to be in the centre of the top of the hail light or if a hail light does not exist on a vehicle (for example, exempted cabs) the distress light should be fitted at the highest point of visibility on the vehicle. In this regard, you should consult with a local Department of Transport Inspector.
- Colour is green.
- The light is to be static with a 360 degree visibility.

Annexure G

Wheelchair Accessible Taxi Requirements

1. Body dimensions

1.1. The interior shall have a workable floor area capable of accommodating a minimum of one wheelchair. This area is to be no smaller than 800mm by 1300mm per wheelchair.

1.2. The wheelchair door entry and interior headroom shall provide for a minimum unobstructed height of 1500mm. Vehicles already in service prior to 1 January 2013 must have an unobstructed vertical doorway height of at least 1400mm and an interior headroom height of at least 1410mm.

1.3. Passenger window height should finish at a minimum of 1270mm above floor level, to allow passengers to see out of the vehicle.

2. Seating

2.1. Seating should be designed to be capable of folding clear of the area designated for wheelchair passengers, however, seating should be retained in surrounding areas to accommodate passengers travelling with the wheelchair user.

3. Stowage area

3.1. A storage area shall be provided for wheelchair restraint systems when not in use.

4. Wheelchair lifts and ramps

4.1. The minimum requirement for a taxi fitted with a hoist or ramp shall be in compliance with Australian/New Zealand Standard, AS3856.1:1998 (Hoists and Ramps for People with Disabilities - Vehicle mounted – Product Requirements) and AS/NZ 3856.2:1998 (Installation Requirements).

4.2. Where wheelchair lifts are fitted, the lift platform shall be capable of lifting at least 300kg, be at least 800mm wide and have slip resistant surface.

4.3. Where a wheelchair lift with optional handrail is fitted to the taxi, the handrail must be utilised when transferring the passenger to and from the vehicle.

4.4. It is preferable that the following equipment be fitted.

4.5. Where wheelchair lifts are fitted, an optional manual backup pump be incorporated with the lift.

4.6. An automatic circuit breaker be incorporated to isolate the hoist electrical system from the vehicle's electrical system to reduce the likelihood of fire.

4.7. Where hoist controls are mounted inside the vehicle in a position accessible to the passenger system, an isolation switch be incorporated to avoid inadvertent operation of the hoist.

4.8. Where ramps are fitted in a taxi, the minimum allowable width is 800mm.

4.9. The slope of an external boarding ramp shall not exceed 1 in 14 for unassisted access and 1 in 8 for unassisted access where the ramp length is less than 1520mm.

4.10. The slope of an external boarding ramp shall not exceed 1 in 4 for assisted access.

5. Wheelchair and occupant restraint assemblies

5.1. The minimum standard for wheelchair and occupant restraint assemblies shall meet the requirements of AS/NZ10542.1:2009 – Technical Systems and Aids for Disabled or Handicapped Persons – Wheelchair Tiedowns and Occupant Restraint Systems.

5.2. A lap-sash belt must be fitted for each seating position.

5.3. Occupants and wheelchairs must be secured facing forwards.

5.4. Provision shall be made for the rapid release of both the wheelchair and occupant restraint in the case of an accident or emergency.

6. Air-conditioning

6.1. Vehicles shall be fitted with air-conditioning that provides for both the driver and passengers needs.

7. Heating

7.1. Vehicles shall be fitted with heating that provides for both the driver and passengers needs.

8. Reverse warning buzzer

8.1. Vehicles shall be fitted with reversing warning buzzers.

9. Interior lighting

9.1. Interior lighting shall be provided along with wheelchair lift or ramp lighting.

10. ADR Compliance

10.1. The vehicle shall comply with the Australian Design Rules – ADR44/01 - Vehicle Standard (Australian Design Rule 44/01 – Specific Purpose Vehicle Requirements) 2006.

10.2. Modifications to the vehicle have to be checked and approved by an Authorised Officer under Department of Transport and Main Roads' Authorised Officer's Scheme who will issue a Certificate of Modification and fit a modification plate to the vehicle.

Additional Information

Criterion

Minimum Dimensions

Area per Wheelchair

800mm by 1300mm

Interior Headroom

1500mm

Unobstructed Door Height

1500mm

Note: for vehicles already in service prior to 1 January 2013, the minimum requirement for interior headroom is 1410mm and the minimum requirement for unobstructed door height is 1400mm”