Queensland's Personalised Transport Horizon

Stage Two Implementation

Queensland Government

Minister's foreword

The Queensland Government is committed to delivering a new framework for personalised transport that responds to technological change.

At a time of significant structural change in the global transport sector, it is more important than ever that we establish the appropriate regulatory frameworks to allow operators, drivers and consumers to engage with new technology and new services.

In addressing this change, we must consider the impacts it will have on our transport infrastructure, the safety of those who use these services and other road users. We must also consider not only the changes we are experiencing, but create a framework that anticipates and accommodates future changes.

Stage 1 of the Government's reforms were announced in August 2016, with ride-booking services legalised on 5 September 2016. The reforms removed significant red tape for the taxi and limousine industries, reducing their regulatory burden and delivering more flexibility to innovate and differentiate their offerings.

Stage 2 of the proposed reforms will establish a modern, agile, and simplified regulatory framework for personalised transport services that allows greater choice for customers while ensuring safety, accessibility, affordability and accountability in relation to the provision of those services.

Personalised transport plays a crucial role in creating a truly connected transport network. The Queensland Government's proposed reforms will ensure the sector can continue to grow and ensure an improved experience for consumers.

Honourable Mark Bailey MP

Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply

Implementing the new framework for the personalised transport industry

On 11 August 2016, the Queensland Government announced reforms to the personalised transport industry through *Queensland's Personalised Transport Horizon – Five Year Strategic Plan for Personalised Transport Services 2016-2021* (Horizons). The document outlined a staged approach for the implementation of reforms:

Stage One – immediate reforms to legalise ride-booking services (including safety requirements for vehicles and drivers) and ease the regulatory burden for the taxi and limousine industries by reducing red tape

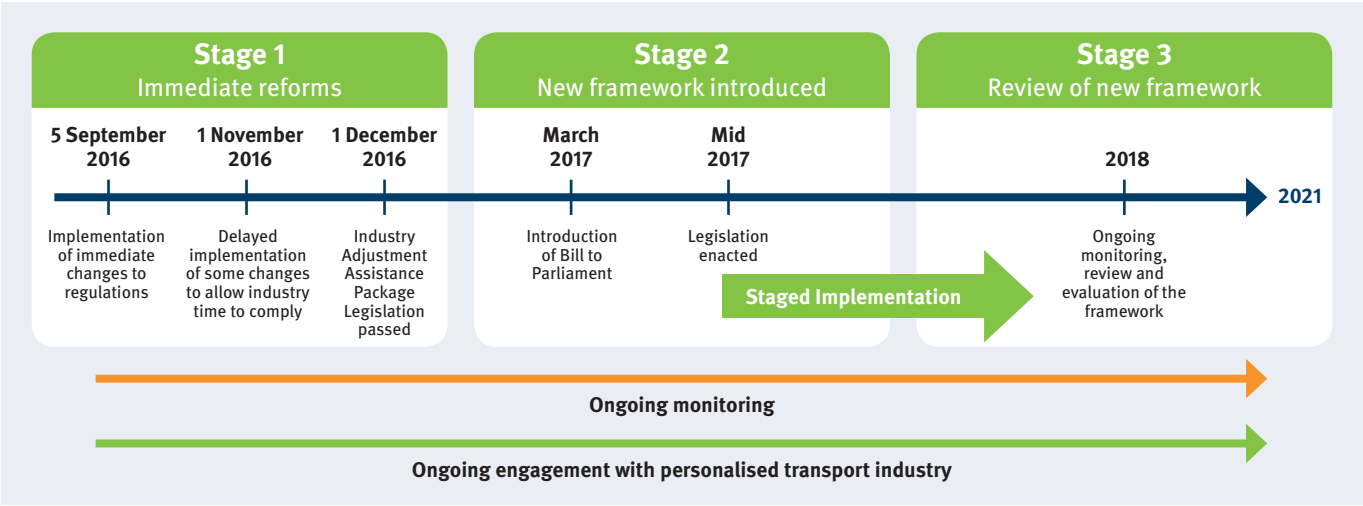
Stage Two – comprehensive changes to the legislation to enhance the safety, efficiency and accessibility of personalised transport services by establishing new industry responsibilities, a new licensing framework for booked hire services as well as a new authorisation framework for booking entities

Stage Three – ongoing monitoring, review and evaluation of the new framework

In March 2017 the Queensland Government is introducing into Parliament the legislative changes required to support the second stage of the personalised transport reforms, with implementation to follow passage of the bill.

Key outcomes of the personalised transport reforms to date include:

- The preservation of existing taxi licences.
- The retention of exclusive rights to rank and hail services by existing taxi licence holders.
- Increased fines to reflect the seriousness of particular offences, including soliciting and touting for the hiring of a public passenger vehicle (other than taxis) which has doubled from $243 to $487. The fine for using a rank in a vehicle other than a licensed taxi has increased fivefold from $48 to $243.
- Reduced the taxi industry's regulatory burden and increased the opportunity to innovate by removing nearly 80 pieces of regulation.
- The creation of a $100 million Industry Adjustment Assistance Package (IAAP), which includes $60 million in transitional assistance for taxi and limousine licence holders. Since its commencement in late 2016 over 90% of available funds have been distributed to eligible licence holders.
- The implementation of protections to ensure customers with disabilities have affordable and accessible personalised transport. This has been achieved through the retention of taxis' exclusive rights to deliver services to passengers who are members of the Taxi Subsidy Scheme, and the introduction of an incentive payment for drivers of wheelchair accessible taxis to prioritise services to Taxi Subsidy Scheme members identified as requiring a wheelchair to travel.
- Ongoing active education and enforcement of all aspects of the legislation by Transport Inspectors from the Department of Transport and Main Roads.



Stage Two – To be phased in from the second half of 2017

Framework Aims	Outcomes
Strengthen safety standards for the whole personalised transport industry	• Annual inspections for all personalised transport vehicles (Certificate of Inspection) • Mandatory security cameras for personalised transport vehicles dependant on the risk profile of service • New fatigue management requirements as part of the chain of responsibility • New class of CTP insurance for booked hire vehicles and limousines
Provide customers with greater choice and flexibility	• New annual licence to provide booked hire services • No new perpetual taxi service licences • No new annual taxi service licences issued until at least 2018 • Retention of limousine service licences • Special purpose limousine service licences to be phased out
Drive innovation and improved customer service standards through reduced red tape	• More red tape removed • Removal of operator accreditation. Operators must operate a service under a taxi service licence, limousine licence or booked hire service licence • Removal of taxi driver bailment requirements • Removal of taxi service contracts for taxi booking companies
Ensure accountability and clearly define obligations across the industry	• New chain of responsibility for the personalised transport industry • New booking entity authorisation regime for booking entities • New financial and non-financial penalties for non compliance • Electronic payment surcharges capped at 5%

Consistent requirements for the personalised transport industry

- Driver fatigue management ✓
- Zero tolerance for alcohol and drugs ✓
- Licensing ✓
- Annual vehicle Certificate of Inspection ✓
- Driver training ✓
- Chain of responsibility ✓
- New penalty regime ✓

Practical licensing arrangements

The new licensing framework will provide customers with greater choice and flexibility. A booked hire service licence will be created ensuring that all personalised transport service providers are licensed.

Taxi service licences

Existing taxi service licences will be retained and will allow services to be provided from a rank, hailed from the street or booked in advance.

The existing rights of taxi service licence holders will be preserved. No further perpetual licences will be issued by government, existing licences will continue to be transferable, able to be leased, and renewable for periods of up to five years at a time.

Taxi service areas will be retained along with licensing conditions that limit the area of operation. However, current service licence conditions will be streamlined and simplified, namely those relating to high occupancy vehicles, owner/drivers and green vehicles.

A new taxi service licence framework will be introduced, but no new taxi licences will be issued until at least 2018. Any new taxi licences will be made available through public offer, will not be transferable but will be able to be leased.

The taxi industry security levy will be deferred for a further 12 months.

Operator accreditation will be removed. All taxi services will need to be operated under a taxi service licence. Perpetual taxi service licence renewal fees will be $171.40 per annum.

Limousine service licences

Existing limousine service licences are perpetual and allow licence holders to provide a pre-booked service in an approved vehicle where the fare is agreed prior to the journey.

Following consultation with the limousine industry, limousine service licences will be retained. There will be some changes to the regulatory framework that applies to limousines.

Privileges that will be retained for limousines include:

- the right to use road infrastructure such as priority lanes or areas, bus and transit lanes
- existing exemptions under the *Liquor Act 1992* that enables the serving of alcohol
- the right to advertise themselves as a limousine.

Special purpose limousine service licences will be phased out over the next three years given that these licences are annual licences, much like booked hire service licences.

Existing limousine licences will be renewable for periods of up to five years, continue to be transferable and able to be leased. Service areas will no longer apply to the provision of a limousine service, similar to booked hire services.

Operator accreditation will be removed. All limousines will need to be operated under a limousine licence. The annual renewal of these licences will cost $171.40.

Booked hire service licences

Since 5 September 2016, ride-booking services have operated legally across Queensland, without a service licence. Since that time, drivers must hold a Driver Authorisation which is consistent across all personalised transport modes.

Drivers of ride-booking services can only provide pre-booked services. It is illegal for them to solicit or tout for business or provide services through a rank or be hailed.

An annual, non-renewable booked hire service licence will be introduced. A licence will be required to ensure the person is suitable to provide these services and the vehicle complies with certain requirements.

Booked hire service licences will be issued annually at a cost of $237.26.

An accountable industry

Accountability for all participants in the personalised transport industry has been a guiding principle of the reforms. Clearly defined obligations and an updated penalty regime which encourages more proactive compliance by industry are important elements of the new framework.

Chain of responsibility

A new chain of responsibility framework setting out the legal obligations of each participant in the personalised transport supply chain has been developed. This includes a range of obligations across a number of areas with a strong focus on improved safety outcomes.

It applies equally across the personalised transport industry in relation to all booking entities, operators, and drivers.

Booking entity

- Taxi booking companies
- Booking platforms and apps
- Operators who run their own business

Operator

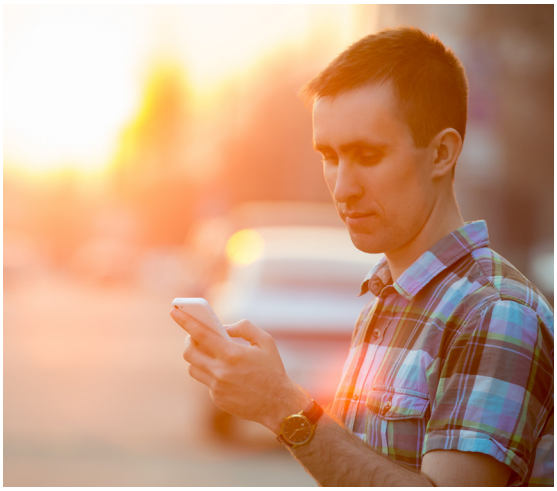
- Taxi operators (including management companies)
- Limousine operators
- Booked hire operators

Driver

- Taxi drivers
- Limousine drivers
- Booked hire drivers

Significant financial and non-financial penalties will apply for non-compliance, including:

- For a breach of new primary duty of care and officer liability provisions, significant financial penalties apply (up to 3,000 penalty units or $365,000 for an individual or 30,000 penalty units or $3,657,000 for a corporation where there is reckless conduct).
- Non-financial penalties for booking entities and operators include the suspension or cancellation of their booking entity authorisation or licence.
- The penalty regime for drivers will include a gradual increase in the financial penalties for repeat offenders of eligible offences, up to a maximum of 400 penalty units or $48,760.
- Where a driver is convicted of an eligible offence three times within a three year period, an immediate one month driver licence suspension will apply.



Booking entities

Booking entities will have various responsibilities, including meeting driver fatigue management requirements, ensuring that drivers hold and maintain Driver Authorisation and that drivers are trained to government-set standards in relation to disability awareness, anti-discrimination (including sexual harassment) and the provision of wheelchair accessible services, and facilitating approved security camera downloads on behalf of operators.

They will also have responsibility for ensuring that all vehicles are licensed and compliant.

Booking entities must have proof of incorporation or other registered business structure in Australia, or have a nominated officer who is based in Australia.

The Department of Transport and Main Roads will facilitate access to a register of licences, authorised booking entities and authorised drivers so that booking entities will be able to check that all parties hold necessary approvals.

Under the reforms, booking entities must retain and provide data to the Department of Transport and Main Roads (such as the operation of services), and keep records of all bookings for at least two years.

Red tape will be further reduced by the removal of taxi booking company service contracts and operator accreditation.

The fee for booking entity authorisation will be based on fleet size.

1-5 vehicles	$250
6-20 vehicles	$700
21-50 vehicles	$2,000
More than 50 vehicles	$5,000

Operators

Operators will have various responsibilities, including meeting driver fatigue management requirements, ensuring that drivers hold and maintain Driver Authorisation and that drivers are trained to government-set standards in relation to disability awareness, anti-discrimination (including sexual harassment) and the provision of wheelchair accessible services.

All personalised transport services will have to operate under a taxi, limousine or booked hire service licence. They will also have responsibility for vehicle maintenance and safety requirements.

Red tape will be reduced through the removal of operator accreditation.

Drivers

Drivers must be affiliated with an authorised booking entity to provide personalised transport services.

Drivers must be trained to government-set standards in relation to disability awareness, anti-discrimination (including sexual harassment) and the provision of wheelchair accessible services.

Drivers, other than taxi drivers, must produce records of bookings for services if requested by the Department of Transport and Main Roads.

For taxi drivers, bailment agreements will no longer be regulated. All workplace relations matters (including contractual arrangements and working conditions) are commercial matters for the industry to manage. Protections may be offered to drivers under the *Independent Contractors Act 2006* and the *Competition and Consumer Act 2010* depending on their arrangements.

Payment surcharges

Further to reforms related to fares in stage one, electronic payment surcharges will be capped at a maximum of 5%, in line with the Reserve Bank of Australia. The amount of the surcharge must be listed on an itemised receipt.

- **Driver fatigue management obligations apply to all parties in the chain of responsibility**
- **All personalised transport drivers must hold and maintain the appropriate driver authorisation**
- **Training obligations for drivers apply for all personalised transport services**
- **Booking entities will have obligations to provide data**

Enhanced safety

Strengthening safety across the personalised transport industry as well as ensuring customers have access to safe personalised transport options has been a guiding principle for the reforms. These reforms will include new requirements for security cameras, more stringent vehicle identification requirements and fatigue management requirements.

Security cameras

At present, approved security cameras must be fitted in the majority of taxis in Queensland. Under stage two reforms, security cameras will be mandatory for personalised transport vehicles based on the risk profile of the service.

An approved security camera system will be mandatory if the service meets one of these criteria:

1. Driver and passenger anonymity (risk of assault)
2. Cash transactions (risk of theft)
3. Point of payment is during the journey (risk of fare evasion)

This means security cameras will remain mandatory in taxis due to their ability to provide rank and hail services to anonymous passengers. Exemptions relating to regional and remote areas will continue.

Similarly, limousines and ride-booking services will be required to have security cameras if their service delivery model involves cash or electronic payment being made in person during the journey. The same regional and remote area taxi exemptions will apply to these services.

Where a personalised transport service has an approved security camera installed, the authorised booking entity will be responsible for managing recordings in accordance with specifications. Further, it is expected that the booking entity will continue to cooperate with the Queensland Police Service regarding downloads.

A personalised transport service that does not meet the risk profile may voluntarily install security cameras. All security cameras installed (voluntarily or mandatory) must be an approved security camera that complies with the specifications published by the Department of Transport and Main Roads.

Specifications for security cameras will be more flexible and outcomes focused which will reduce existing costs to industry.

Forward and rear facing cameras may be used by personalised transport services, however government will not regulate the specifications or downloads for these cameras. Only an approved security camera may be used to record images or audio of persons in the vehicle.

Vehicle identification

All personalised transport vehicles are required to be identified through different forms of signage or identifiers. Taxis are currently required to have a hail light and a number plate starting with the letter 'T'. Taxi booking companies also use colour and branding to differentiate themselves commercially. Limousines must have a number plate starting with the letter 'L' or 'SL'.

Requirements for ride-booking vehicles to be identifiable were introduced under stage one. It is proposed to further strengthen these requirements under stage two.

Ride-booking vehicles are currently required to clearly display a sign at the rear of their vehicle. Typically, this has been the logo of the booking entity with which the driver is associated.

Under stage two, a vehicle used to provide booked hire services will be required to display appropriate square signage of at least 146mm by 146mm on the bottom left hand side of the front and rear windscreen of the vehicle. It must be retroreflective and be the identification sign advised by the entity who provides the booking service.

Fatigue

Duties in relation to driver fatigue will be placed on persons in the chain of responsibility to ensure the safety of taxi, limousine and booked hire services.

Specifically, a person will be prohibited from driving a motor vehicle to provide a taxi, limousine or booked hire service while the person's ability to drive safely is impaired by fatigue.

A person in the chain of responsibility must also take all reasonable steps to ensure another person does not drive while fatigued. In addition, government will also consider imposing other requirements relating to driver fatigue. This could include standards about time spent driving a motor vehicle; requirements relating to monitoring, recording and reporting on these matters; use of particular equipment or technology to manage fatigue; and training of drivers and other persons in the chain of responsibility about managing driver fatigue.

Road Use

Under the Queensland Road Rules, taxis and limousines are permitted to use certain lanes (for example, bus lanes and bicycle lanes) and clearways in certain circumstances. Taxis have exclusive access to taxi zones (or ranks) to pick up or wait for passengers.

It is not proposed to extend these privileges to ride-booking vehicles due to likely impacts on congestion.

Standardised vehicle requirements

Vehicle safety inspection requirements

Under stage one, all taxis, limousines and ride-booking vehicles are required to pass annual vehicle safety inspections to ensure safety standards are applied consistently across the industry.

As a transitional arrangement, ride-booking vehicles were required to hold a safety certificate under stage one reforms, as opposed to a Certificate of Inspection which is required for taxis and limousines.

Under stage two, all personalised transport vehicles will be required to pass an annual Certificate of Inspection.

Compulsory Third Party insurance

All vehicles will be required to have the correct class of Compulsory Third Party insurance (CTP) which reflects the claims experience of that class.

Taxis will remain in a separate class and a new class will be created for limousines and booked hire vehicles.

Registration

Three month vehicle registration renewal terms, including CTP payments, will be available to all personalised transport providers. Ride-booking vehicles will no longer be able to use a Private Purpose of Use identification.

Accessibility for people with a disability

The new framework provides protections to ensure customers with disabilities have affordable and accessible personalised transport.

Booked services for Taxi Subsidy Scheme and wheelchair accessible services are subject to maximum fare protections for these customers.

Taxis will retain exclusive access to the provision of services to members of the Taxi Subsidy Scheme.

However into the future, the Queensland Government may consider the expansion of other personalised transport operators providing subsidised services to Taxi Subsidy Scheme members, subject to operators being able to meet the transportation needs of the members and comply with *Disability Standards for Accessible Public Transport*.

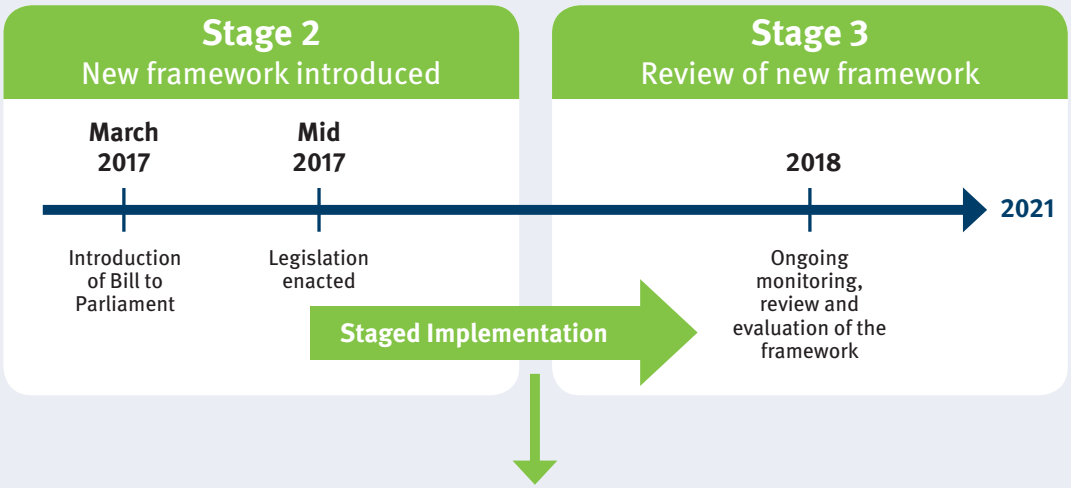
The Queensland Government remains committed to the ongoing funding of the lift payment for drivers of wheelchair accessible taxis to prioritise services to Taxi Subsidy Scheme members identified as requiring a wheelchair to travel.

Implementation

Implementation of Stage 2 reforms will follow passage of the legislation through Parliament. A staged approach will be taken to implementation to ensure there is an orderly transition to the new framework.

Enhanced compliance focus

Effective enforcement is critical to ensuring public safety, protection of the rank and hail market and regulatory compliance from all industry participants. An additional 16 Transport Inspectors will be deployed by the Department of Transport and Main Roads to ensure year round education, compliance and enforcement.



Key activities during the transition include:

- Ongoing engagement with the personalised transport industry through the Personalised Transport Industry Reference Group
- Seeking advice from relevant government agencies such as the Queensland Productivity Commission and Queensland Competition Authority
- Updating systems and processes to align with the new framework
- Ongoing communication and education activities with industry participants to ensure readiness for new framework

Summary of Personalised Transport Reforms

	Taxi	Limousine	Ride-Booking
Practical licensing arrangements			
Service licence to operate	✓	✓	✓
Licence fee	Market driven	✗ **	$237.26 (annual)
Renewal fee	$171.40 ($85.70 for exempt areas)	$171.40 ***	✗
Renewal term	Up to 5 years	Up to 5 years ***	✗
Licence issued on demand	✗	✗	✓
One licence per vehicle	✓	✓	✓
Licence transferable	✓*	✓ ***	✗
Licence can be leased	✓	✓ ***	✓
Pre-booked services	✓	✓	✓
Rank and hail services	✓	✗	✗
Service areas	✓	✗	✗
Taxi Industry Security Levy 2017/18	✗	N/A	N/A
Advertise as limousine service	✗	✓	✗
Liquor licensing exemption	✗	✓	✗
An accountable industry			
Booking entity authorisation	✓	✓	✓
Booking entity fee	$ 250 – 1-5 vehicles $ 700 – 6-20 vehicles $ 2000 – 21-50 vehicles $ 5000 – › 50 vehicles	$ 250 – 1-5 vehicles $ 700 – 6-20 vehicles $ 2000 – 21-50 vehicles $ 5000 – › 50 vehicles	$ 250 – 1-5 vehicles $ 700 – 6-20 vehicles $ 2000 – 21-50 vehicles $ 5000 – › 50 vehicles
Chain of responsibility - Fatigue management - Driver training - Authorised drivers and vehicles	 ✓ ✓ ✓	 ✓ ✓ ✓	 ✓ ✓ ✓
Data reporting	✓	✓	✓
Significant financial and non-financial penalties	✓	✓	✓
Mandatory affiliation	✓	✓	✓
Operator accreditation	✗	✗	✗
Driver authorisation	✓	✓	✓
Capped payment surcharges	✓	✓	✓
Itemised receipts	✓	✓	✓
Provide fare estimates for pre-booked services	✓	✓	✓
Bailment agreements	✗	✗	✗

	Taxi	Limousine	Ride-Booking
Enhanced safety			
Security cameras	✓#	★	★
Forward and rear facing cameras permitted	✓	✓	✓
Vehicle identification - T plate - L plate or SL plate - Hail light - Front and rear retroreflective sign	 ✓ ✗ ✓ ✗	 ✗ ✓ ✗ ✗	 ✗ ✗ ✗ ✓
Driver fatigue management	✓	✓	✓
Use of special lanes	✓	✓	✗
Zero tolerance for alcohol and drugs	✓	✓	✓
Drivers must wear seatbelts	✓	✓	✓
Driver exemption for passenger seatbelt compliance	✓	✓	✓
Standardised vehicle requirements			
Annual certificate of inspection	✓	✓	✓
CTP insurance class	Class 3 or Class 10A or 11 for wheelchair accessible taxis	Class 26	Class 26 or Class 4 for rental vehicles
Registration purpose of use	Taxi	Limo	Booked Hire or Booked Hire Rental
3 month registration terms	✓	✓	✓
No age limits	✓	✓	✓
Prescribed vehicle characteristics	✓	✓	✓
Accessibility for people with a disability			
Provision of Taxi Subsidy Scheme (TSS) services	✓	✗	✗
Maximum fares regulated	✓ ^	✗	✗
Lift payment	✓	✗	✗

★ Dependent on risk profile

^ Only applies to rank and hail, TSS and wheelchair accessible services

Due to anonymity of rank and hail services

* Does not apply to new taxi licences

** Only existing Special Purpose Limousine (SPL) licences can continue to obtain annual SPL licences until phased out

*** Does not apply to SPL licences which will be phased out over three years

13 QGOV (13 74 68)
www.tmr.qld.gov.au | www.qld.gov.au