

Our ref DOC15/149969
Your ref
Enquiries

Department of
Transport and Main Roads

2 December 2015

Mr Gavin Jones
Director
Adjudication
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

Dear Mr Jones

Thank you for your letter of 10 November 2015 and the opportunity to provide a submission to the Australian Competition and Consumer Commission (ACCC) on the iHail Pty Ltd application for authorisation (A91501).

The Queensland Government regulates the provision of taxi services through the *Transport Operations (Passenger Transport) Act 1994* and supporting regulations. The overriding intent and focus of this legislation is the provision of a safe, reliable passenger transport systems which are responsive to customer needs.

The current legislation applicable to the taxi and personal transport services prescribes extensive provisions relating to:

- Driver and operator requirements (criminal history, medical checks and driver training,
- Vehicle requirements (vehicle types, age limits, periodic inspections),
- Driver/Operator Bailment agreements,
- Security measures such as Taxi Security Cameras systems,
- Market entry restrictions (taxi licencing and contracts for the Administration of taxi booking services).

The Queensland government welcomes innovation and the use of new technology in a manner which is consistent with all applicable laws and maintains customer safety.

The Department of Transport and Main Roads (TMR) has a number of checks and balances in place to ensure that drivers, operators and vehicles involved in the provision of public passenger services meet the required standards in the interests of public safety.

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The provision of demand responses services, under Queensland's transport legislation, is largely the domain of taxi services. The taxi vehicle must be attached to a taxi service licence and a regime of accreditation and other regulations provide a framework which has customer safety at its core. The in-car systems, such as calibrated meters and security camera systems, must meet legislative specifications.

In response to customer complaints about overcharging, TMR introduced specifications for the automation of taxi meters on 1 July 2014. Legislation requires that all taxi meters in the Queensland taxi industry are programmed in accordance with approved specifications. These specifications ensure the meter is limited in its manual functions and must incorporate all legitimate costs incurred in accordance with the Governments maximum taxi fares.

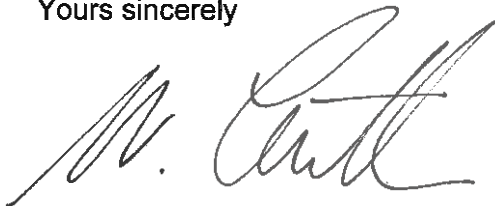
Consequently, the business model of a meter which has the facility to accommodate a tipping function falls outside the allowable charges in Queensland's maximum taxi fares and accordingly, would not comply with the relevant legislation. Examples of fees and charges which are acceptable and supported by legislation include a soiling fee and high occupancy or luxury taxi surcharges. Additionally, the legislative amendments which introduced automated taxi meters also require that taxi drivers must accept all methods of payments in their taxis.

I therefore note with interest the amendments to the iHail operating platform in relation to the disabling of tipping function and for enabling in-car payments for bookings made through the application.

You may also be aware the Deputy Premier has announced a Door to Door Personalised Transport review will be undertaken by an independent Taskforce which will consider the industry, regulatory and consumer issues before presenting recommendations to the Queensland Government for consideration. One of the chief focusses of the review will be to ensure the delivery of a flexible legislative framework that supports competition and innovation. The Taskforce will report back to the Queensland Government in August 2016.

Again, thank you for the opportunity to provide feedback to the application from iHail and I trust this information has been of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Cerutti', with a stylized, flowing script.

Noela Cerutti
A/ Director
Taxi & Limousine Services