

Bradley Rogers

From: Craig Wilson
Sent: Thursday, 19 March 2015 5:49 AM
To: Glenn Case
Cc: Bradley Rogers
Subject: Re:

Can I pls early see the final list
we're speaking with Evelyn at 9
Brad, I will ask you to coordinate her work, but have her report to me for now

Sent from my iPad

On 18 Mar 2015, at 2:58 pm, "Glenn Case" <Glenn.Case@premiers.qld.gov.au> wrote:

Craig, below is a list of potential topics from Directors, the Principal Economic Analyst, and the XO:

Kate

- Analysis on the elasticity of public transport fares – how does Brisbane compare with other cities?
- Analysis of the impact on taxi patronage/licence values of increased use of ride sharing apps (e.g. Uber)
- Economic cost of congestion in SEQ
- Productivity benefits of increased public transport use

Bernadette

- Impacts of not allowing 100% FIFO in new mines or FIFO economic contributions to the State more broadly.
- Work to better understand North Queensland's economic status and contribution – employment, incomes, industry base etc

Bruce S

- An analysis of foreign direct investment into Queensland's agribusiness sector (including in farms, ag services and processors) over the past 10 years or more. What are the trends and can any constraints be identified?
- An analysis of recurrent funding requirements to maintain the State's protected area estate vs actual budget allocations over the past 5 or 10 years. What is the gap and how is it trending?
- Any work on evaluating the financial sustainability of Queensland local governments (QTC is data rich). Where are the pressure points?

Brad

- Social Policy – prisoner population issues, NDIS market design and DV.
- Child care market review
- Government savings from incentivising people to invest in private health care insurance
- Economic benefits of disruptive technology
- Public school alternative models
- Where does QLD economic wealth come from?

XO

- Preparation of a forward work program for the soon-to-be-established Queensland Productivity Commission.

- Work with the QCA to detail the scope of industry assistance (eg: subsidies and price support).
- Develop an over-arching industry policy framework that would guide other departments.

<image002.jpg>**Glenn Case**

Executive Officer

Economic Policy

Department of the Premier and Cabinet

Phone: 3003 9319

Level 14 Executive Building | 100 George Street | Brisbane | Queensland 4002

Released under RTI - DPC

Bradley Rogers

From: Craig Wilson
Sent: Monday, 9 February 2015 4:54 PM
To: Bradley Rogers
Subject: RE: Competition policy review

Maybe they borrowed your work???

Craig Wilson

Senior Executive Director | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane 4000.
Phone: 07 300 39459 | mob s.73 Personal Information e-mail: craig.wilson@premiers.qld.gov.au



From: Bradley Rogers
Sent: Monday, 9 February 2015 4:48 PM
To: Craig Wilson
Subject: FW: Competition policy review

Hi Craig

Just thought I would point out the National Competition Policy Review has found in favour of a few of my productivity issues.

Importantly, taxis, land and zoning.

The full report attached.

Thanks

Brad

See page 86

Regulatory restrictions

Restricting who can supply	Restricting what can be supplied	Restricting where and when supply can occur
Professional licensing and standards	Product standards and labelling	Air service agreements
Liquor and gambling	Agricultural marketing	Retail trading hours
Pharmacy	Parallel imports	Planning and zoning
Taxis	Intellectual property	
Media and broadcasting services	Private health insurance	

From: Kate Jackson
Sent: Thursday, 22 January 2015 3:22 PM
To: Bradley Rogers
Subject: RE: Competition policy review

<http://competitionpolicyreview.gov.au/draft-report/>

From: Bradley Rogers
Sent: Thursday, 22 January 2015 3:09 PM
To: Kate Jackson
Subject: RE: Competition policy review

I will have to look into this:>

Thanks

From: Kate Jackson
Sent: Thursday, 22 January 2015 3:07 PM
To: Bradley Rogers
Subject: RE: Competition policy review

Well, I think you have some high profile backers now in the Competition Policy Review – btw also recommends regulation of taxi industry

From: Bradley Rogers
Sent: Thursday, 22 January 2015 2:53 PM
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Subject: RE: Competition policy review

That is interesting. I have not found many other people who understand this issue or think it is a problem. As demonstrated by the CEO talk today, Council don't get it and are focused on process and issues of the day not strategic economic development. Possibly, because most people in positions of power are engineers and lawyers who don't understand economics.

Local Government are one of the largest constraints on economic growth in Australia. We set the rules of how they operate but the state does not have an economic strategy except build stuff. Could be the BCC bringing its people in to the state government making things worse but it has been bad for a while.

One day....

From: Kate Jackson
Sent: Thursday, 22 January 2015 2:46 PM
To: Bradley Rogers
Subject: Competition policy review

Agrees with you on planning

While governments talk of economic objectives in a broad sense, such as employment and stimulating housing construction, these are still seen from an urban planner's viewpoint and focus on land use, zoning, streamlining of appeals and more standardisation of planning frameworks.

The Panel's view

Effective economic objectives and proper consideration of competition are lacking from planning and zoning legislation and therefore processes. Planning and zoning requirements are a significant source of barriers to entry,

particularly in the retail sector. They are also overly complex, geared towards very local issues and can place undue weight on the impact on incumbents. This is producing poor outcomes for consumers.

KATE JACKSON

PRINCIPAL POLICY ADVISOR | ECONOMIC POLICY UNIT | Department of the Premier and Cabinet

Kate.Jackson@premiers.qld.gov.au | 07 3003 9417 Great State. Great opportunity.

Please consider the environment before printing this email.

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Bradley Rogers

From: Bradley Rogers
Sent: Monday, 9 February 2015 5:02 PM
To: Craig Wilson
Subject: RE: Competition policy review

Possibly, no profits for me though.

From: Craig Wilson
Sent: Monday, 9 February 2015 4:54 PM
To: Bradley Rogers
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Maybe they borrowed your work???

Craig Wilson

Senior Executive Director | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane 4000.
Phone: 07 300 39459 | mob. 73 Personal Information e-mail: craig.wilson@premiers.qld.gov.au



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Kate.Jackson@premiers.qld.gov.au | 07 3003 9417 Great State. Great opportunity.

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Bradley Rogers

From: LOOSEMORE David <David.Loosemore@daff.qld.gov.au>
Sent: Tuesday, 10 February 2015 8:56 AM
To: Bradley Rogers
Subject: RE: Competition policy review

That's good Brad. Gives you a potential pipeline of work too. Ie responding to federally raised issues.

From: Bradley Rogers [mailto:Bradley.Rogers@premiers.qld.gov.au]
Sent: Monday, 9 February 2015 4:57 PM
To: Jayne Dillon; Paul McFadyen; LOOSEMORE David; Gene Tunny
Subject: FW: Competition policy review

From: Craig Wilson
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To: Bradley Rogers
Subject: RE: Competition policy review

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Craig Wilson

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Bradley Rogers

From: Craig Wilson
Sent: Thursday, 29 January 2015 12:34 PM
To: Bradley Rogers
Subject: Re: Productivity [QCA-Documents.FID35875]

Great to have

Sent from my iPhone

On 29 Jan 2015, at 12:14 pm, Bradley Rogers <Bradley.Rogers@premiers.qld.gov.au> wrote:

Hi Craig
Hope you are enjoying the tennis.
Please see below the reply for QCA on the productivity mapping project.

Thanks
Brad

From: Alex Dobes [<mailto:alex.dobes@qca.org.au>]
Sent: Thursday, 29 January 2015 11:07 AM
To: Bradley Rogers
Subject: RE: Productivity [QCA-Documents.FID35875]

Hi Brad

Thanks for the opportunity to review this list of productivity initiatives.

It is a useful step to collate the various measures across government – we are doing the same task with industry assistance.

Below are some quick thoughts, which we'd be happy to discuss. Our thoughts are around:

1. Efficacy of reform
2. Some omissions from the list.
3. Alignment with sectoral strategies.

1. Efficacy of existing reform measures

At first glance (in the absence of detailed information), it appears that some of the listed initiatives have had little or no impact on productivity. Poor program design and a lack of systematic performance monitoring are likely to be factors.

A thorough impact analysis of all productivity programs would require significant resources, and it may be more efficient to identify a subset of programs for review. Similar programs (applying to similar sectors) could be reviewed together. The QCA's assessment framework for industry assistance could be relevant to these evaluations.

Generally speaking, the QCA is well placed to support an impact analysis of productivity measures. Agencies already receive, to some extent, guidance as part of the RIS process on design of programs but this only partly covers the range of issues.

2. Some omissions from the list

The list of initiatives is broad, but some sectoral issues are not mentioned. Malcolm raised some of these issues in the QCA presentation to the brown bag lunch at DPC late last year - for example, regulation of the retail sector, taxis and infrastructure monopolies.

The most significant omission is occupational health and safety (OH&S) regulation. Stakeholders across Queensland and across industries have repeatedly identified this as the single greatest barrier to improving productivity. CCIQ, for example, completed a broad range of member surveys which identified OH&S as a major regulatory issue for their members in most sectors.

A simple illustration of OH&S problems is the attached photo, which shows the training and induction program required to satisfy legal requirements at a caravan park in Cairns. The park manager estimated that he spends a significant portion of each day on the tasks outlined in the wall planner. This is a clear barrier to productivity. This particular caravan park was the subject of a CCIQ case study, and I happened to accompany CCIQ to their discussion with the manager:

<https://www.cciq.com.au/assets/Documents/Advocacy/Red-Tape-Case-Studies/13-Case-StudyCaravan-Park-and-Camping.pdf>

Anti-competitive regulation, such as taxis, retail trading hours and pharmacies, is not captured.

3. Focus on sectoral strategies

DPC may wish to consider whether Queensland has too many programs in place – it seems that a wide range of often relatively small programs have evolved over time without clear whole-of-government priorities. Some of these programs may fill important niches; others may absorb resources that could deliver greater benefits if applied in a coordinated fashion. Targeting funding to a smaller pool of applicants (e.g. only small businesses or farm businesses) may not deliver the greatest net returns.

Sectoral strategies that may serve as a focus for productivity reviews include ResourcesQ, the Agriculture Strategy, RegionsQ, InfrastructureQ, Queensland Ports Strategy, Moving Freight Strategy, DestinationQ, Small Business Action Plan, Science and Innovation Action Plan and Governing for Growth.

Regards

AD

Alex Dobes
Principal Analyst

T (07) 3222 0584
M s.73 Personal Information
alex.dobes@qca.org.au
www.qca.org.au

From: Bradley Rogers [<mailto:Bradley.Rogers@premiers.qld.gov.au>]
Sent: Monday, 12 January 2015 11:01 AM
To: Alex Dobes
Subject: Productivity

Hi Alex

As discussed last week, we have completed a productivity mapping exercise and would like your views.

Please see attached our report which provides an overview of some productivity related policies. This project will build from this initial mapping exercise however we are yet to decide on next steps.

Please note this is only an informal request for a view not a direction from Government.

If you have any questions please contact me on the details below.

Regards
Bradley Rogers

Principal Economic Analyst | Economic Policy | Department of the Premier and Cabinet |
Phone: 07 3003 9336 | Mobile: s.73 Personal Information | E-mail: Bradley.Rogers@premiers.qld.gov.au

Level 14 | Executive Building | 100 George Street | Brisbane QLD 4000



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 Caravan Park 2.JPG>

Bradley Rogers

From: Jayne Dillon <Jayne.Dillon@justice.qld.gov.au>
Sent: Tuesday, 27 January 2015 1:55 PM
To: Bradley Rogers
Subject: RE: taxi

I recall taxis aren't covered by WorkCover because it's such a 'hazardous' industry... I'm not sure what arrangements they fall under though.

Google ANZSIC 2006 to determine which industry sector the taxi industry would theoretically fall under for the WorkCover WIC Codes

Jayne Dillon
Ph: 07 3247 9174

From: Bradley Rogers [mailto:Bradley.Rogers@premiers.qld.gov.au]
Sent: Tuesday, 27 January 2015 1:51 PM
To: Jayne Dillon
Subject: taxi

What kind of oh&s insurance would a taxi company pay?

Regards
Bradley Rogers

Principal Economic Analyst | Economic Policy | Department of the Premier and Cabinet |
Phone: 07 3003 9336 | Mobile: s.73 Personal Information | E-mail: Bradley.Rogers@premiers.qld.gov.au

Level 14 | Executive Building | 100 George Street | Brisbane QLD 4000



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Bradley Rogers

From: Bradley Rogers
Sent: Tuesday, 27 January 2015 4:16 PM
To: Kate Carlson
Cc: Rachel Lunnon
Subject: RE: Taxi
Attachments: Economics of Taxi Deregulation in Queensland v1.docx

Sorry wrong doc.

From: Bradley Rogers
Sent: Tuesday, 27 January 2015 4:11 PM
To: Kate Carlson
Cc: Rachel Lunnon
Subject: Taxi

Hi Team
Please see attached a further update on my taxi assessment.
I aim to finish it tomorrow.

Thanks
Brad

Regards
Bradley Rogers

Principal Economic Analyst | Economic Policy | Department of the Premier and Cabinet |
Phone: 07 3003 9336 | Mobile: s.73 Personal Information | E-mail: Bradley.Rogers@premiers.qld.gov.au

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Economics of Taxi Deregulation in Queensland

Queensland Governments have developed a raft of taxi industry regulations over many years in an effort to ensure the safe and comfortable transport of the general public and to assist an emerging taxi industry. However, in the modern world many of these historic regulations have become inefficient, unrequired and costly to the general public. Modern mobile technology has provided innovation in the taxi industry to ensure all passengers are safe and happy with their chosen transport service.

There are many regulations on the current taxi and private hire vehicle drivers however, this paper will only examine three particular issues, including:

1. Driver authorisations
2. Vehicle safety requirements and
3. Taxi licences

Driver authorisations

What is a driver authorisation?

The Transport Operations (Passenger Transport) Act 1994 requires, with some exceptions, drivers of motor vehicles that are used to provide public passenger services to hold driver authorisation. Driver authorisation is a qualification that a driver of a motor vehicle providing a public passenger service must attain and maintain to operate the vehicle.

The stated purpose of driver authorisation is to ensure drivers of public passenger vehicles are suitable persons, having regard to the safety of children and other vulnerable members of the community, the personal safety of passengers and their property, public safety and the reputation of public passenger transport. The requirements for obtaining a drivers authorisation are:

1. Minimum age of 20 years old
2. Entitlement to work in Australia
3. Pass a criminal history check
4. Hold a current Australian open drivers licence
5. Held an open or provisional driver licence (Australian or overseas) continuously for at least three years for a car, truck or bus
6. In addition, the applicant must— have held an Australian driver licence (other than a learner licence) for at least 12 months continuously in the three years immediately preceding the application
7. An applicant for taxi driver authorisation must be able to speak and understand English.
8. Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course
9. Operators of taxi services must ensure a written taxi service bailment agreement

Minimum age

Applicants for taxi driver authorisation must be at least 20 years of age before their application can be accepted by the Department of Transport and Main Roads.

Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society. Australian citizens over the age of 17 are able to join the Australian Defence Force and take cars, trucks, tanks, weapons and aircraft into battle; however these same people cannot drive a taxi in Queensland.

The cost to the Queensland economy is difficult to measure however would be related to increased youth unemployment, reduced standard of living and increased cost of operations for the taxis.

Entitlement to work in Australia

Applicants for driver authorisation or renewal of driver authorisation must provide documentary proof of their entitlement to work in Australia.

This specification appears to be a statement of fact. Everyone who works in Australia has to have the entitlement to work in Australia. Managing working visas in Australia is the responsibility of the Federal Department of Immigration and Border Protection not the Queensland Department of Transport and Main Roads (DTMR).

The cost of DTMR managing and regulating this requirement is an unnecessary burden on the Queensland tax payer.

Criminal History

The applicant must have a satisfactory criminal history record having regard to the safety of children and other vulnerable members of the community, as well as the personal safety of passengers and their property.

Punishment is not for revenge, but to lessen crime and reform the criminal. - Elizabeth Fry

People in Australia who break the law and are charged are dealt with by the Australian and or State legal system. Once the person has paid their fine or completed their time in prison they have completed their legally required payment for breaking the government's laws.

The government continuing to impinge on a person's life after they have completed the original punishment is contrary to the basis for the Australian legal system and society. Driving a taxi is a very basic low level of skill job which is a perfect job for a person with a criminal history. The government using its power to stop people with a criminal history gaining employment will only further increase recidivism. Holding people in gaol is very costly both in direct government payments and in lost productivity.

Individual taxi companies may wish to check a person's criminal history and some may actually be able to maintain a high standard of driver as a selling point of its service. However, it is not reasonable for the State Government to stop people from working because of a past criminal act.

Drivers licence

Driver authorisations require a person to hold an open Australian drivers licence, have held that licence (or provisional licence) for at least three years and held that licence for at least twelve months continuously in the three years immediately preceding the application.

The first of these requirements appears to be stating a fact. Any person driving a car in Australia has to hold a drivers licence, except the requirement to hold an open licence. Under Queensland law if a person holds a provisional drivers licence they are allowed to carry passengers in their car except for P1 licence drivers between 11pm and 5am¹. Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society.

The second of these requirements is that a person has held a licence for three years. Again, under Queensland law if a person holds a drivers licence they are allowed to carry passengers in their vehicle. The Queensland Government requirement for the licence to be held for three years is a costly constraint on supply of drivers. Particular, taxi companies may wish to set a special driving test or limit its drivers by specifying a set amount of experience. These taxi companies could use its high standard of drivers as a selling point in the market. But the Queensland Government limiting the number of drivers available for service by setting arbitrary limits on driving experience will increase to cost of delivering the service and the cost to the community.

The third requirement is that the person will have held the licence for at least twelve months continuously in the three years immediately preceding the application. The wording of this requirement is unclear and appears to be ill defined. Either the person has held their licence continuously for twelve months immediately preceding the application or they have not. It is unclear what the three years has to do with this requirement.

However, the requirement to have held a licence for twelve months continuously is a costly constraint on employment and supply of drivers. A person with a drivers licence in Queensland is allowed to carry passengers and therefore there is no difference if the driver is paid money or not. If a person lost their licence due to a driving offence but has regained their licence then they should be free to drive a taxi. Once the State Government has punished a person for an offence the punishment should stop. Continuing to punish a person after a court punishment is extending the law which could dramatically affect a person's earning capability and life in general. Taxi drivers are not rich people and rely on driving for a living. If a person loses their licence for a few months it will

¹ If you are driving on a P1 licence between 11pm and 5am, and you are under 25, you can only carry 1 passenger under the age of 21 who is not an immediate family member. <https://www.qld.gov.au/transport/licensing/driver-licensing/applying/provisional/restrictions/index.html>

make their life difficult but the State Government not allowing that person to work for a further twelve months is cruel and costly. The person may turn to crime to live and then become a burden on the State through Police, court, prisons, housing and welfare payment.

Driving history

The applicant must have a driving history that the chief executive, Department of Transport and Main Roads, considers is suitable to hold driver authorisation.

This requirement is arbitrary and costly constraint on the supply of taxi drivers. If a person is licenced to drive in Queensland then they are allowed to carry passengers. Individual companies may wish to investigate a driver's history before hiring that person but it is not clear why the State Government would be concerned with this issue. The State Government has provided that person a licence that allows them to drive anywhere in Australia carrying passengers. Either that person is capable of driving or they are not.

The current wording of this requirement is arbitrary in that it requires the Chief Executive of DTMR to assess the persons driving history to be 'suitable'. It is not clear what 'suitable' means and at what level the Chief Executive must set to allow people to drive people for money. The cost of the Chief Executive and their staff to review driver's history is not justified against the small possible benefits of limiting drivers with an unsuitable driving history. An estimate of the DTMR cost of this action is \$150 to \$200 per application or \$244,575 to \$456,540 per year or a PV of \$2.6 million to \$4.8 million.

Language skills

An applicant for taxi driver authorisation must be able to speak and understand English. All new applicants for taxi driver authorisation in major taxi service areas (areas with 35 or more taxi service licences) need to undertake an English assessment through a Registered Training Organisation (RTO) approved by the department. However, new applicants in non-major taxi service areas (areas with 34 or fewer taxi service licences) will not be required to undertake an English assessment.

This regulation appears to be discriminating against people who do not speak English and people who cannot speak at all. There is very little benefit for the State of Queensland in requiring a taxi driver to have English language skills. However, there are significant costs in DTMR and the Department of Education, Training and Employment (DETE). Due to technological advances it is possible to use free translation software on a smart phone to communicate with a person who does not speak English.

The costs are related to DETE having to certify an RTO and manage that RTO's credentials which is redirecting valuable resources from other education activities. The cost to DTMR are related to its staff having to check these requirements are met and the RTOs are certified. The cost to the applicant is \$100 fee and the time taken to complete the test which could be in the order of a half days effort (4 hours at \$50 per hour is a cost of \$200 of time per person). That is a total cost per year of \$489,150 to \$684,810 or PV of \$5.1 million to \$7.2 million.

If a person or a company feels it can communicate sufficiently with its customers and are able to attract paying customers then there is no reason why the government should stop that market transaction.

Driver training

Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course specified by the Chief Executive. This course is a five day course which costs over \$550 per person. The time cost of a person attending a five day course is \$2,000² per person.

The training course is targeted at teaching the driver about the taxi regulations, education about taxicab communications, major roads, attractions and how to carry out financial transactions. There is no clear identification why the Queensland Government requires by law that a taxi driver learn any of these particular things. The modern solutions to the past issues in the taxi industry have provided cheap and easy ways of avoiding any problems that the course is aimed at solving. Mobile phones have communication, navigation, attraction identification and simple automatic payment systems.

Individual companies may wish to get their drivers to complete a course or send them on some kind of training however, there is no reason the Queensland Government should require it by law. The cost of requiring this course is the opportunity cost of redirecting qualified trainers away from trade training and other productive forms of training and the cost to the drivers of about \$4.2 to \$5.8³ million per year or \$43.8 to \$61.3 million NPV.

Medical test

The applicant must obtain a medical certificate for a commercial vehicle driver. The medical certificate is to be obtained from a medical practitioner and assessed in accordance with the Austroads Inc publication "Assessing to Drive – For Commercial and Private Vehicle Drivers" national medical standards.

Austroads indicate the increased medical assessment for a commercial over a non-commercial driver are set due to the increased risks:

The assignment of medical standards for vehicle drivers is based on an evaluation of the driver, passenger and public safety risk, where risk = likelihood of the event x severity of consequences. Commercial vehicle crashes may present a severe threat to passengers, other road users (including pedestrians and cyclists) and residents adjacent to the road. Such crashes present potential threats in terms of spillage of chemicals, fire and other significant property damage.

² Eight hours per day multiplied by 5 days multiplied by \$50 per hour is \$2,000

³ Assumes 2 drivers per taxi licence, between 25% and 35% driver turnover, \$2,550 per course and a discount rate of 9.5%

Austrroads sets the standards for drivers as the private standards should be applied to:

1. drivers applying for or holding a licence class C (car), R (motorcycle) or LR (light rigid) unless the driver is also applying
2. for an authority or is already authorised to use the vehicle for carrying public passengers for hire or reward or for carrying
3. bulk dangerous goods, or, in some jurisdictions, for a driving instructor.

The commercial standards should be applied to:

1. drivers of 'heavy vehicles', i.e. those holding or applying for a licence of class MR (medium rigid), HR (heavy rigid),
2. HC (heavy combination) or MC (multiple combination)
3. drivers carrying public passengers for hire or reward (bus drivers, taxi drivers, chauffeurs, drivers of hire cars and small buses, etc.)
4. drivers carrying bulk dangerous goods
5. drivers subject to requirements for Basic or Advanced Fatigue Management under the National Heavy Vehicle Accreditation Standard
6. other driver categories who may also be subject to the commercial vehicle standards as a result of certification requirements of the authorising body or as required by specific industry standards, for example, driving instructors and members of Trucksafe.

Using Austrroads test for risk (likelihood of the event x severity of consequences) it is not clear why a taxi driver would be at or cause any higher risk than any 'non-commercial driver' on the roads. The likelihood of a taxi driver having an accident is no higher than any non-commercial driver in any given hour of driving. Taxi drivers may be in more accidents overall, however this would be due to the large number of them as a group and the large number of hours driving. There are no restrictions on non-commercial class C drivers on the number of hours they drive, therefore all drivers could drive for as many or more than a taxi driver. The consequences of a taxi driver crashing is exactly the same as any non-commercial vehicle on the road. Therefore, there is no increased risk of a taxi driver compared to a normal class C driving licence holder. The simple requirement that a taxi driver hold an open Queensland licence will remove any risk the driver is under a conditional licence with any medical conditions.

The requirement for a special medical test of a taxi driver appears to be excessive red tape with no basis in public health or risk management. The cost of this requirement is the lost time of both the driver (\$20.83 to \$29.17⁴) and the doctors in completing the test (\$25.00 to 37.50⁵). The drivers direct cost of paying for the test would be about \$93.50⁶.

⁴ Assume travel time of 15 to 20 minutes and appointment time as 10 to 15 minutes at \$50 per hour

⁵ Assume appointment time of 10 to 15 minutes at \$150 per hour

⁶ Provided by Fiveways Medical Centre in Graceville

Table 1. Costs of a required medical test for taxi drivers⁷

	Low	High
Cost to Doctor	\$ 40,763	\$ 85,601
Cost to Drivers	\$ 186,421	\$ 280,011
Total Annual Cost	\$ 227,183	\$ 365,612
NPV	\$ 2,391,400	\$ 3,848,552

These costs do not include the opportunity cost of a doctor missing valuable time treating people with medical conditions due to taking time to test a taxi driver's ability to drive a car. Queensland doctors are spending at least 54 to 114⁸ working weeks⁹ per year on the driving medical test for taxi drivers.

Bailment agreement

Operators of taxi services must ensure a written taxi service bailment agreement is entered into with an authorised driver before permitting them to drive a taxi. Bailment describes a legal relationship in common law where physical possession of personal property, or a chattel, is transferred from one person (the 'bailor') to another person (the 'bailee') who subsequently has possession of the property.

The DTMR explanation of what is required in the bailment agreement indicates the key issues are insurance and employment conditions. Individual companies may wish to implement a form of contract with the drivers but it is not clear why the Queensland Government would require a special agreement. All companies in Queensland already pay a workers compensation premium to the Queensland Department of Work Place Health and Safety. The taxi premium is currently \$2.287 per \$100 of wages as stated in the 6 June 2014 Queensland Government Gazette No. 34.

The employment contract between a taxi company and a driver should be a private contract which is regulated under the same requirements as any other employment contract. Disputes between drivers and taxi companies would be dealt with by the Fair Work Ombudsman or a range of other agencies¹⁰. The cost of this requirement are the time to complete and submit the form, gaining independent legal advice and processing and storing agreements in DTMR.

Cost to each driver for completing the form and gaining legal advice is estimated at \$800¹¹, the cost to the taxi company is about \$150¹² and the cost to DTMR is estimated at \$200¹³ per application. The

⁷ Assume new drivers are 25% (1,631) to 35% (2,283) of total drivers per year, there are two drivers per taxi licence and the discount rate is 9.5%

⁸ Allowing 10 to 15 minutes per test

⁹ Assume a 5 day working week

¹⁰ <http://www.complaints.qld.gov.au/>

¹¹ Assume one hour to fill in form, two hours to submit form including travel, three hours of time for legal advice and \$500 for legal advice.

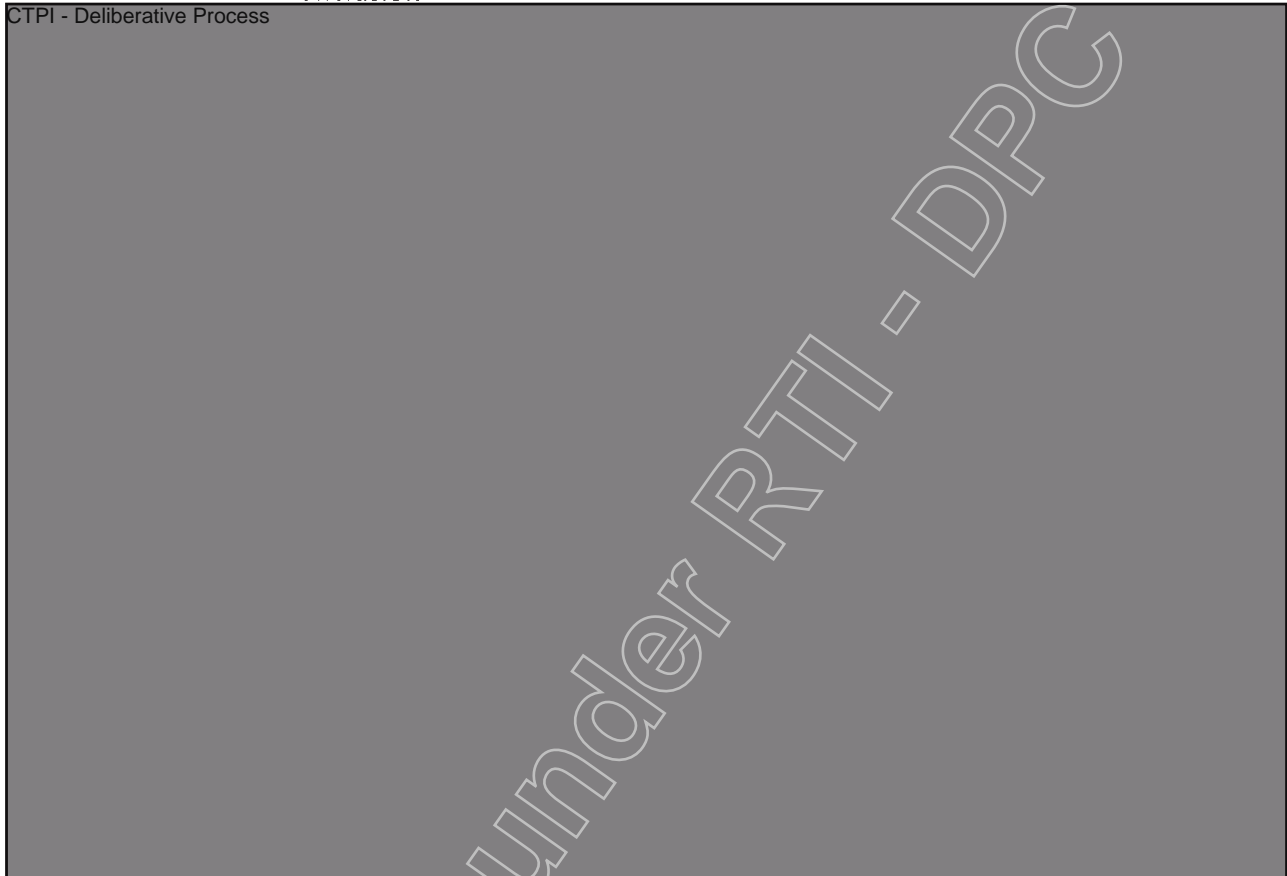
¹² Assume one hour to fill in form, two hours to submit form

¹³ Assume two hours of time managing and accessing the form and the cost of storage and review

total cost per application is estimated at \$1,150 which is a total of \$2 million per year or NPV of \$21 million¹⁴.

Driver authorisation conclusion

CTPI - Deliberative Process



¹⁴ Assume a discount rate of 9.5%

¹⁵ <http://www.blackandwhitecabs.com.au/?q=brisbane/Becoming-a-Driver>

CTPI - Deliberative Process

Released under RTI - DPC

Bradley Rogers

From: Bradley Rogers
Sent: Tuesday, 27 January 2015 1:58 PM
To: 'Jayne Dillon'
Subject: RE: taxi

Thanks but they are in the gazette so I thought that meant they are covered but that must just mean they are paying.

From: Jayne Dillon [mailto:Jayne.Dillon@justice.qld.gov.au]
Sent: Tuesday, 27 January 2015 1:55 PM
To: Bradley Rogers
Subject: RE: taxi

I recall taxis aren't covered by WorkCover because it's such a 'hazardous' industry... I'm not sure what arrangements they fall under though.

Google ANZSIC 2006 to determine which industry sector the taxi industry would theoretically fall under for the WorkCover WIC Codes

Jayne Dillon
Ph: 07 3247 9174

From: Bradley Rogers [mailto:Bradley.Rogers@premiers.qld.gov.au]
Sent: Tuesday, 27 January 2015 1:51 PM
To: Jayne Dillon
Subject: taxi

What kind of oh&s insurance would a taxi company pay?

Regards
Bradley Rogers

Principal Economic Analyst | Economic Policy | Department of the Premier and Cabinet |
Phone: 07 3003 9336 | Mobile: 73 Personal | E-mail: Bradley.Rogers@premiers.qld.gov.au

Level 14 | Executive Building | 100 George Street | Brisbane QLD 4000



Customers first | Ideas into action | Unleash potential | Be courageous | Empower people

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Released under RTI-DPS

Bradley Rogers

From: Craig Wilson
Sent: Wednesday, 1 April 2015 2:48 PM
To: Bradley Rogers
Cc: Jeanette Miller; Anthony Crack
Subject: RE: Taxi

Ok with me if ok with anthony and Jeanette and it has not govt policy on it

Craig Wilson

Senior Executive Director | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane 4000.
Phone: 07 300 39459 | mobile: 07 373 7373 | Personal Information | e-mail: craig.wilson@premiers.qld.gov.au



From: Bradley Rogers
Sent: Wednesday, 1 April 2015 2:47 PM
To: Craig Wilson
Subject: Taxi

Hi Craig
Would it be possible to send Tsy my paper on taxis?

Thanks Brad

Sent on the go with Vodafone

Released under RTI - DPC

Bradley Rogers

From: Bradley Rogers
Sent: Wednesday, 21 January 2015 3:44 PM
To: 'Glenn Case'
Subject: RE: work

Yes and you have been very bad;>

From: Glenn Case [mailto:glenn.case@bigpond.com]
Sent: Wednesday, 21 January 2015 3:43 PM
To: Bradley Rogers
Subject: RE: work

next Tuesday i'll be back...

no rest for the wicked hey!

From: Bradley.Rogers@premiers.qld.gov.au
To: s.73 Personal Information
Subject: RE: work
Date: Wed, 21 Jan 2015 05:40:02 +0000

Hi Mate
Good to hear from you.
Sorry to hear about your phone.
Most of the projects have stopped or changed due to care taker.
No cost of living but doing work on possible next gov issues, including:

1. Taxis
2. GOC debt/dividends
3. Economic presentation
4. Productivity issues
5. Econ growth
6. Land reforms
7. Farmers and drought

When are you back in the office?

Cheers
Brad

From: [REDACTED]
Sent: Wednesday, 21 January 2015 3:37 PM
To: Bradley Rogers
Subject: work

Hey mate,
My mobile phone wiped all its contents and i'm not getting work emails ...

Is Craig busy with extra projects, or has he stopped work on cost of living calc etc?

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Released under RTI - DPC

Bradley Rogers

From: Kate Carlson
Sent: Wednesday, 8 April 2015 10:03 AM
To: Bradley Rogers
Subject: RE: Young Economists Coffee and Taxis

Thanks Brad. Ok to share draft analysis with Matt.

Cheers,
Kate.

From: Bradley Rogers
Sent: Wednesday, 8 April 2015 9:41 AM
To: Kate Carlson
Subject: FW: Young Economists Coffee and Taxis

Hi Kate
Please see the email below from the Tsy guy.
Let me know if it is ok for me to send the attached to Matt.

Thanks
Brad

From: Matthew Geck [<mailto:matthew.geck@treasury.qld.gov.au>]
Sent: Wednesday, 1 April 2015 10:26 AM
To: Bradley Rogers
Subject: Young Economists Coffee and Taxis

Hi Brad,

I notice YE is hosting a taxi/uber coffee talk next week. I've been looking at this for Treasury, I'll make sure to attend.

Cheers

Matt Geck
Economist
Economics Division
Queensland Treasury
Level 7, Executive Building, 100 George Street
Phone: (07) 3035 6469
Email: matthew.geck@treasury.qld.gov.au
Web: www.treasury.qld.gov.au



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Released under RTI - DPC

Bradley Rogers

From: Bradley Rogers
Sent: Wednesday, 4 February 2015 10:09 AM
To: Kate Carlson; Rachel Lunnon
Subject: Taxi
Attachments: Economics of Taxi Deregulation in Queensland v3.docx

Hi Team

Please see attached an updated paper.

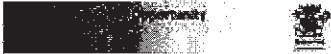
I adjusted the numbers a bit and added some new found information about Uber insurance:

“Currently, Uber has implemented rules to cover the drivers and passengers with insurance. The driver must have comprehensive car insurance which covers the driver and Uber has a worldwide public liability insurance which covers the passengers.”

Regards
Bradley Rogers

Principal Economic Analyst | Economic Policy | Department of the Premier and Cabinet |
Phone: 07 3003 9336 | Mobile: s.73 Personal Information | E-mail: Bradley.Rogers@premiers.qld.gov.au

Level 14 | Executive Building | 100 George Street | Brisbane QLD 4000



Customers first | Ideas into action | Unleash potential | Be courageous | Empower people

Economics of Taxi Deregulation in Queensland

Queensland Governments have developed a raft of taxi industry regulations over many years in an effort to ensure the safe and comfortable transport of the general public and to assist an emerging taxi industry. However, in the modern world many of these historic regulations have become inefficient, unrequired and costly to the general public. Modern mobile technology has provided innovation in the taxi industry to ensure all passengers are safe and happy with their chosen transport service.

There are many regulations on the current taxi and private hire vehicle drivers however, this paper will only examine three particular issues, including:

1. Driver authorisations
2. Vehicle safety requirements and
3. Taxi licences

Driver authorisations

What is a driver authorisation?

The Transport Operations (Passenger Transport) Act 1994 requires, with some exceptions, drivers of motor vehicles that are used to provide public passenger services to hold driver authorisation. Driver authorisation is a qualification that a driver of a motor vehicle providing a public passenger service must attain and maintain to operate the vehicle.

The stated purpose of driver authorisation is to ensure drivers of public passenger vehicles are suitable persons, having regard to the safety of children and other vulnerable members of the community, the personal safety of passengers and their property, public safety and the reputation of public passenger transport. The requirements for obtaining a drivers authorisation are:

1. Minimum age of 20 years old
2. Entitlement to work in Australia
3. Pass a criminal history check
4. Hold a current Australian open drivers licence
5. Held an open or provisional driver licence (Australian or overseas) continuously for at least three years for a car, truck or bus
6. In addition, the applicant must— have held an Australian driver licence (other than a learner licence) for at least 12 months continuously in the three years immediately preceding the application
7. An applicant for taxi driver authorisation must be able to speak and understand English.
8. Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course
9. Operators of taxi services must ensure a written taxi service bailment agreement

Minimum age

Applicants for taxi driver authorisation must be at least 20 years of age before their application can be accepted by the Department of Transport and Main Roads.

Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society. Australian citizens over the age of 17 are able to join the Australian Defence Force and take cars, trucks, tanks, weapons and aircraft into battle; however these same people cannot drive a taxi in Queensland.

The cost to the Queensland economy is difficult to measure however would be related to increased youth unemployment, reduced standard of living and increased cost of operations for the taxis.

Entitlement to work in Australia

Applicants for driver authorisation or renewal of driver authorisation must provide documentary proof of their entitlement to work in Australia.

This specification appears to be a statement of fact. Everyone who works in Australia has to have the entitlement to work in Australia. Managing working visas in Australia is the responsibility of the Federal Department of Immigration and Border Protection not the Queensland Department of Transport and Main Roads (DTMR).

The cost of DTMR managing and regulating this requirement is an unnecessary burden on the Queensland tax payer.

Criminal History

The applicant must have a satisfactory criminal history record having regard to the safety of children and other vulnerable members of the community, as well as the personal safety of passengers and their property.

Punishment is not for revenge, but to lessen crime and reform the criminal. - Elizabeth Fry

People in Australia who break the law and are charged are dealt with by the Australian and or State legal system. Once the person has paid their fine or completed their time in prison they have completed their legally required payment for breaking the government's laws.

The government continuing to impinge on a person's life after they have completed the original punishment is contrary to the basis for the Australian legal system and society. Driving a taxi is a very basic low level of skill job which is a perfect job for a person with a criminal history. The government using its power to stop people with a criminal history gaining employment will only further increase recidivism. Holding people in gaol is very costly both in direct government payments and in lost productivity.

Individual taxi companies may wish to check a person's criminal history and some may actually be able to maintain a high standard of driver as a selling point of its service. However, it is not reasonable for the State Government to stop people from working because of a past criminal act.

Drivers licence

Driver authorisations require a person to hold an open Australian drivers licence, have held that licence (or provisional licence) for at least three years and held that licence for at least twelve months continuously in the three years immediately preceding the application.

The first of these requirements appears to be stating a fact. Any person driving a car in Australia has to hold a drivers licence, except the requirement to hold an open licence. Under Queensland law if a person holds a provisional drivers licence they are allowed to carry passengers in their car except for P1 licence drivers between 11pm and 5am¹. Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society.

The second of these requirements is that a person has held a licence for three years. Again, under Queensland law if a person holds a drivers licence they are allowed to carry passengers in their vehicle. The Queensland Government requirement for the licence to be held for three years is a costly constraint on supply of drivers. Particular, taxi companies may wish to set a special driving test or limit its drivers by specifying a set amount of experience. These taxi companies could use its high standard of drivers as a selling point in the market. But the Queensland Government limiting the number of drivers available for service by setting arbitrary limits on driving experience will increase to cost of delivering the service and the cost to the community.

The third requirement is that the person will have held the licence for at least twelve months continuously in the three years immediately preceding the application. The wording of this requirement is unclear and appears to be ill defined. Either the person has held their licence continuously for twelve months immediately preceding the application or they have not. It is unclear what the three years has to do with this requirement.

However, the requirement to have held a licence for twelve months continuously is a costly constraint on employment and supply of drivers. A person with a drivers licence in Queensland is allowed to carry passengers and therefore there is no difference if the driver is paid money or not. If a person lost their licence due to a driving offence but has regained their licence then they should be free to drive a taxi. Once the State Government has punished a person for an offence the punishment should stop. Continuing to punish a person after a court punishment is extending the law which could dramatically affect a person's earning capability and life in general. Taxi drivers are not rich people and rely on driving for a living. If a person loses their licence for a few months it will

¹ If you are driving on a P1 licence between 11pm and 5am, and you are under 25, you can only carry 1 passenger under the age of 21 who is not an immediate family member. <https://www.qld.gov.au/transport/licensing/driver-licensing/applying/provisional/restrictions/index.html>

make their life difficult but the State Government not allowing that person to work for a further twelve months is cruel and costly. The person may turn to crime to live and then become a burden on the State through Police, court, prisons, housing and welfare payment.

Driving history

The applicant must have a driving history that the chief executive, Department of Transport and Main Roads, considers is suitable to hold driver authorisation.

This requirement is arbitrary and costly constraint on the supply of taxi drivers. If a person is licenced to drive in Queensland then they are allowed to carry passengers. Individual companies may wish to investigate a driver's history before hiring that person but it is not clear why the State Government would be concerned with this issue. The State Government has provided that person a licence that allows them to drive anywhere in Australia carrying passengers. Either that person is capable of driving or they are not.

The current wording of this requirement is arbitrary in that it requires the Chief Executive of DTMR to assess the persons driving history to be 'suitable'. It is not clear what 'suitable' means and at what level the Chief Executive must set to allow people to drive people for money. The cost of the Chief Executive and their staff to review driver's history is not justified against the small possible benefits of limiting drivers with an unsuitable driving history. An estimate of the DTMR cost of this action is \$150 to \$200 per application or \$0.5 million to \$0.9 million per year or a PV of \$5.1 million to \$9.5 million.

Language skills

An applicant for taxi driver authorisation must be able to speak and understand English. All new applicants for taxi driver authorisation in major taxi service areas (areas with 35 or more taxi service licences) need to undertake an English assessment through a Registered Training Organisation (RTO) approved by the department. However, new applicants in non-major taxi service areas (areas with 34 or fewer taxi service licences) will not be required to undertake an English assessment.

This regulation appears to be discriminating against people who do not speak English and people who cannot speak at all. There is very little benefit for the State of Queensland in requiring a taxi driver to have English language skills. However, there are significant costs in DTMR and the Department of Education, Training and Employment (DETE). Due to technological advances it is possible to use free translation software on a smart phone to communicate with a person who does not speak English.

The costs are related to DETE having to certify an RTO and manage that RTO's credentials which is redirecting valuable resources from other education activities. The cost to DTMR are related to its staff having to check these requirements are met and the RTOs are certified. The cost to the applicant is \$100 fee and the time taken to complete the test which could be in the order of a half days effort (4 hours at \$50 per hour is a cost of \$200 of time per person). That is a total cost per year of \$0.97 million to \$1.4 million or PV of \$10.2 million to \$14.3 million.

If a person or a company feels it can communicate sufficiently with its customers and are able to attract paying customers then there is no reason why the government should stop that market transaction.

Driver training

Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course specified by the Chief Executive. This course is a five day course which costs over \$550 per person. The time cost of a person attending a five day course is \$2,000² per person.

The training course is targeted at teaching the driver about the taxi regulations, education about taxicab communications, major roads, attractions and how to carry out financial transactions. There is no clear identification why the Queensland Government requires by law that a taxi driver learn any of these particular things. The modern solutions to the past issues in the taxi industry have provided cheap and easy ways of avoiding any problems that the course is aimed at solving. Mobile phones have communication, navigation, attraction identification and simple automatic payment systems.

Individual companies may wish to get their drivers to complete a course or send them on some kind of training however, there is no reason the Queensland Government should require it by law. The cost of requiring this course is the opportunity cost of redirecting qualified trainers away from trade training and other productive forms of training and the cost to the drivers of about \$8.3 million to \$11.5³ million per year or PV of \$86.8 million to \$121.6 million.

Medical test

The applicant must obtain a medical certificate for a commercial vehicle driver. The medical certificate is to be obtained from a medical practitioner and assessed in accordance with the Austroads Inc publication "Assessing to Drive – For Commercial and Private Vehicle Drivers" national medical standards.

Austroads indicate the increased medical assessment for a commercial over a non-commercial driver are set due to the increased risks:

The assignment of medical standards for vehicle drivers is based on an evaluation of the driver, passenger and public safety risk, where risk = likelihood of the event x severity of consequences. Commercial vehicle crashes may present a severe threat to passengers, other road users (including pedestrians and cyclists) and residents adjacent to the road. Such crashes present potential threats in terms of spillage of chemicals, fire and other significant property damage.

² Eight hours per day multiplied by 5 days multiplied by \$50 per hour is \$2,000

³ Assumes 2 drivers per taxi licence, between 25% and 35% driver turnover, \$2,550 per course and a discount rate of 9.5%

Austrroads sets the standards for drivers as the private standards should be applied to drivers applying for or holding a licence class C (car), R (motorcycle) or LR (light rigid) unless the driver is also applying for an authority or is already authorised to use the vehicle for carrying public passengers for hire or reward or for carrying bulk dangerous goods, or, in some jurisdictions, for a driving instructor.

The commercial standards should be applied to:

1. drivers of 'heavy vehicles', i.e. those holding or applying for a licence of class MR (medium rigid), HR (heavy rigid),
2. HC (heavy combination) or MC (multiple combination)
3. drivers carrying public passengers for hire or reward (bus drivers, taxi drivers, chauffeurs, drivers of hire cars and small buses, etc.)
4. drivers carrying bulk dangerous goods
5. drivers subject to requirements for Basic or Advanced Fatigue Management under the National Heavy Vehicle Accreditation Standard
6. other driver categories who may also be subject to the commercial vehicle standards as a result of certification requirements of the authorising body or as required by specific industry standards, for example, driving instructors and members of Trucksafe.

Using Austrroads test for risk (likelihood of the event multiplied by the severity of consequences) it is not clear why a taxi driver would be at or cause any higher risk than any 'non-commercial driver' on the roads. The likelihood of a taxi driver having an accident is no higher than any non-commercial driver in any given hour of driving. Taxi drivers may be in more accidents overall, however this would be due to the large number of them as a group and the large number of hours driving. There are no restrictions on non-commercial class C drivers on the number of hours they drive, therefore all drivers could drive for as many or more than a taxi driver. The consequences of a taxi driver crashing is exactly the same as any non-commercial vehicle on the road. Therefore, there is no increased risk of a taxi driver compared to a normal class C driving licence holder. The simple requirement that a taxi driver hold an open Queensland licence will remove any risk the driver is under a conditional licence with any medical conditions.

The requirement for a special medical test of a taxi driver appears to be excessive red tape with no basis in public health or risk management. The cost of this requirement is the lost time of both the driver (\$20.83 to \$29.17⁴) and the doctors in completing the test (\$25.00 to 37.50⁵). The drivers direct cost of paying for the test would be about \$93.50⁶.

⁴ Assume travel time of 15 to 20 minutes and appointment time as 10 to 15 minutes at \$50 per hour

⁵ Assume appointment time of 10 to 15 minutes at \$150 per hour

⁶ Provided by Fiveways Medical Centre in Graceville

Table 1. Costs of a required medical test for taxi drivers⁷

	Low	High
Cost to Doctor	\$ 80,881	\$ 169,851
Cost to Drivers	\$ 369,897	\$ 555,600
Total Annual Cost	\$ 450,778	\$ 725,451
NPV	\$ 4,745,033	\$ 7,636,325

Sources: Premiers, 2015.

These costs do not include the opportunity cost of a doctor missing valuable time treating people with medical conditions due to taking time to test a taxi driver's ability to drive a car. Queensland doctors are spending at least 13 to 28⁸ working weeks⁹ per year on the driving medical test for taxi drivers.

Bailment agreement

Operators of taxi services must ensure a written taxi service bailment agreement is entered into with an authorised driver before permitting them to drive a taxi. Bailment describes a legal relationship in common law where physical possession of personal property, or a chattel, is transferred from one person (the 'bailor') to another person (the 'bailee') who subsequently has possession of the property.

The DTMR explanation of what is required in the bailment agreement indicates the key issues are insurance and employment conditions. Individual companies may wish to implement a form of contract with the drivers but it is not clear why the Queensland Government would require a special agreement. All companies in Queensland already pay a workers compensation premium to the Queensland Department of Work Place Health and Safety. The taxi premium is currently \$2.287 per \$100 of wages as stated in the 6 June 2014 Queensland Government Gazette No. 34. Currently, Uber has implemented rules to cover the drivers and passengers with insurance. The driver must have comprehensive car insurance which covers the driver and Uber has a worldwide public liability insurance which covers the passengers.

The employment contract between a taxi company and a driver should be a private contract which is regulated under the same requirements as any other employment contract. Disputes between drivers and taxi companies would be dealt with by the Fair Work Ombudsman or a range of other agencies¹⁰. The cost of this requirement are the time to complete and submit the form, gaining independent legal advice and processing and storing agreements in DTMR.

⁷ Assume new drivers are 25% (3,235) to 35% (4,529) of total drivers per year, there are two drivers per taxi licence and the discount rate is 9.5%

⁸ Allowing 10 to 15 minutes per test

⁹ Assume a 5 day working week

¹⁰ <http://www.complaints.qld.gov.au/>

Cost to each driver for completing the form and gaining legal advice is estimated at \$800¹¹, the cost to the taxi company is about \$150¹² and the cost to DTMR is estimated at \$200¹³ per application. The total cost per application is estimated at \$1,150 which is a total of \$3.9 million per year or NPV of \$41.2 million¹⁴.

Driver authorisation conclusion

CTPI - Deliberative Process



¹¹ Assume one hour to fill in form, two hours to submit form including travel, three hours of time for legal advice and \$500 for legal advice.

¹² Assume one hour to fill in form, two hours to submit form

¹³ Assume two hours of time managing and accessing the form and the cost of storage and review

¹⁴ Assume a discount rate of 9.5%

¹⁵ <http://www.blackandwhitecabs.com.au/?q=brisbane/Becoming-a-Driver>

Vehicle safety requirements

The Queensland Transport Operations Regulation 2005¹⁶ there are a range of taxi related vehicle safety related regulations, including:

1. The chief executive may require the operator of a public passenger vehicle to get an inspection
2. An operator of a public passenger vehicle must ensure the vehicle is in a safe condition when it is being used to provide a public passenger service.
3. Passengers must have control over the opening and shutting of the vehicle's doors independently of the driver.
4. A taxi must be constructed, or have a safety partition or some other equipment fitted, to prevent luggage or other goods being carried in the luggage compartment of the vehicle from entering the passenger compartment
5. If luggage is carried in the passenger compartment—be constructed, or have equipment fitted, to secure the luggage
6. A taxi vehicle cannot be more than six years old.
7. Taxis must be fitted with the following:
 - a. a green distress light;
 - b. a hail light;
 - c. a child restraint anchorage bolt.
8. Type of vehicle: forward-control passenger vehicle, passenger car, off-road passenger vehicle or schedule 4 vehicle light bus having up to 12 seating positions, including the driver's position

The current vehicle safety requirements fit into two categories; one is required by all vehicles and the second is unreasonable. The first three requirements above fit into the first category of required by all vehicles. The Chief Executive can require any vehicle to be inspected as stated in Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010¹⁷. An operator of any vehicle must ensure the vehicle is in a safe condition at all times. There are very few vehicles if any in Australia that do not allow the passengers to operate the door locks.

The next five vehicle safety requirements fit into the second category of not reasonable. There is no rational reason that a taxi vehicle should have any different safety equipment or meet any higher level of safety than required for all other road vehicles. The safety of all Australian citizens is as important as the drivers or passengers of taxi vehicles. Special requirements for the carriage of luggage for taxi vehicles has no basis in real safety requirements as the luggage in a non-taxi vehicle is just as dangerous as the luggage in a taxi. The fact the driver is paid for the use of the vehicle does not increase the risk of personal injury from luggage. There are already rules about the safe

¹⁶ Transport Operations (Passenger Transport) Act 1994 Transport Operations (Passenger Transport) Regulation 2005, Current as at 1 January 2015

¹⁷ Transport Operations (Road Use Management) Act 1995, Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010, Current as at 1 January 2015

restraining of loads for all vehicles which is reasonable and all taxi vehicles will be required to meet these regulations. The cost of special requirements could be significant for each vehicle as special fixtures will need to be added to the vehicle and approved by DTMR.

The current taxi vehicle safety requirements related to a distress light, a hail light and a child restraint anchorage bolt are unreasonable and can create significant costs. All vehicles on the road are fitted with hazard lights which is considered reasonable level of safety for the general public. There is no reason why a taxi should meet a higher safety level. Most vehicles are fitted with a child restraint anchorage bolt as standard however, there is no need for a taxi to require a bolt. The road rules specify the requirements for carriage of a child in a child restraint, there is no reason why a taxi should have to carry a child if it is not fitted with the required equipment. The installation of a bolt in a vehicle is about \$280 for one point and \$380 for two points¹⁸ plus a day off the road for the vehicle and about three hours of time (about \$1,000) per vehicle.

The requirement to only use a certain type of vehicle is unreasonable constraint on the market with no safety aspect.

The highest cost taxi vehicle safety requirement is that the vehicle should be no more than six years old. There is no extra safety related to a vehicle that is less than six years of age compared to all other vehicles on the road. If the vehicle is safe enough for the general public to operate on public roads then it is safe enough for the use as a taxi vehicle. Picture 1 below demonstrates a vehicle which is in very good working condition and is allowed to operate on Queensland roads carrying up to four passengers but would not be allowed to be used as a taxi.

Picture 1. 2006 Holden Commodore VE SS



Source: CarSales.com.au¹⁹

¹⁸ Barryan Accessory Fitting 8 Seashell Drive, Deception Bay QLD 4508 T: 07 3203 2002

¹⁹ <http://www.carsales.com.au/private/details/Holden-Commodore-2006/SSE-AD-3139058/>

The highest cost of this restriction is the increase in required fares due to the high level of depreciation.

Table 3. Increase in depreciation of a \$50,000 taxi due to limited life²⁰

	Annual Depreciation	Increase in Annual Depreciation	Increase in Annual Depreciation for All Taxis in Queensland	PV for All Taxis in Queensland
Six years	\$ 8,333			
Eight years	\$ 6,250	\$ 2,083	\$ 6,445,833	\$ 67,850,877
Ten years	\$ 5,000	\$ 3,333	\$ 10,313,333	\$ 108,561,404
Twelve years	\$ 4,167	\$ 4,167	\$ 12,891,667	\$ 135,701,754

Source: Premiers, 2015.

The increase in depreciation costs will be passed on to the consumers through higher taxi fares or reduced revenue for licence owners and or drivers.

Limited taxi licences in Queensland

The largest cost of taxi regulations in Queensland are related to the limit on supply of taxi licences. There are direct costs of around \$249.5 million per year or PV of \$2.6 billion due to higher fares than otherwise required. The other related cost are the deadweight loss, reduced tourism, increase in driving under the influence and increased congestion.

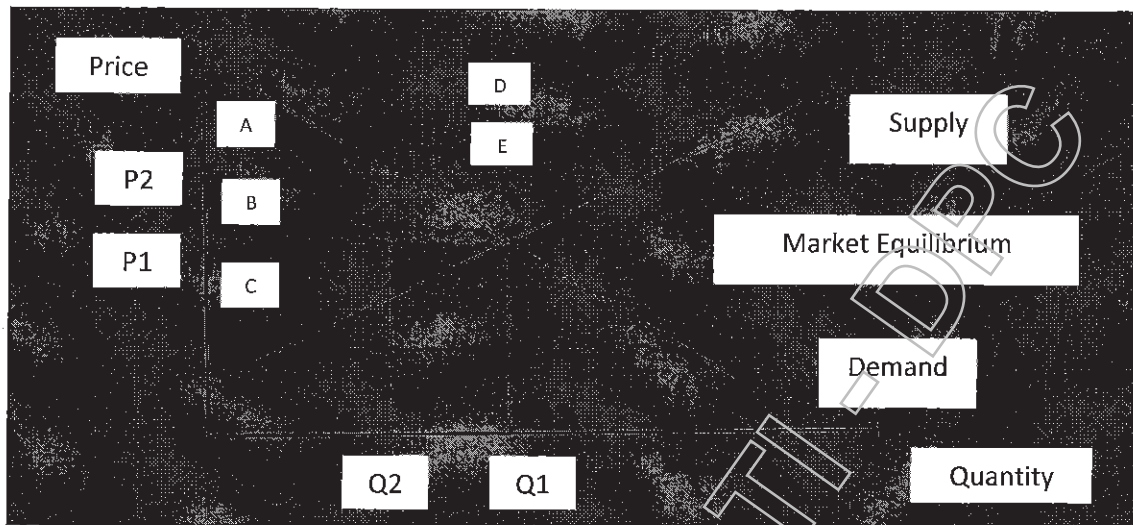
Theory of the cost of supply constraints

Economic theory provides a clear understanding of the costs associated when governments restrict the supply of goods or services. As shown in graph one below, the price will increase, there will be a deadweight loss²¹, consumers will have reduced wealth and producers will have an increase in wealth.

²⁰ Straight line depreciation assumed, the PV discount rate is 9.5%

²¹ Activity that does not happen that could have if the constraint did not exist.

Graph 1. Economic theory of supply constraint costs



Source: *Premiers, 2015.*

The government's supply restriction will reduce the quantity supplied from Q_1 to Q_2 which increases the price from P_1 to P_2 . The move away from the market equilibrium point will redistribute consumer surplus (CS) and producer surplus (PS). The original $CS = A + B + D$ and $PS = C + E$, however after the supply constraint the $CS = A$ and $PS = C + B$. That is the producers have captured a portion of the consumers surplus through the ability to charge above market prices at a low level of supply. The deadweight loss after the supply constraint is $D + E$ which is the area of economic activity that will not occur due to the restriction on supply.

Measuring the actual size of all the different areas of market changes due to the government's restriction on supply is difficult. The area B or the CS captured by producers due to the government's supply constraint is estimated by the required returns on the asset value of owning a taxi licence. Using a typical regulatory pricing model the extra returns required due to the taxi licence value is approximately 30% of the entire required revenue of taxi companies. There are many assumptions included in this price estimate and very little actual data provided to underpin the model. However, the current taxi licence cost in Queensland is approximately \$510,000 which an owner would require a return on capital of between 10% (\$51,000) and 15% (\$76,500) per year per licence. That is a cost of \$166.4 million to \$249.5 million per year (PV \$1.75 billion to \$2.61 billion) of CS reallocated from the general public to taxi licence owners through increased fares for the public and increased profits for taxi licence owners. The total modelled reduced cost to consumers is estimated at \$249.5 million per year or PV of \$2.62 billion.

Deadweight loss is difficult to measure however the related negative externalities are evident in many sectors of the Queensland economy. The major negative externalities are related to:

1. Decrease in tourism
2. Increase in driving under the influence

3. Increased congestion and
4. Reduced economic activity.

Tourism is decreased due to the high cost and lack of availability of taxi services reducing the ability for tourists to travel into and around tourist areas²². People who wish to travel to and from social events are forced to either not drink or to pay very large taxi fares while experiencing long waiting times. Therefore, the incentive is for people to take more risk in deciding to drive even though they have consumed some alcohol. The negative effects of this incentive are clear and are directly related to the government's restriction on taxi licences. Congestion on the roads in Queensland is very high and is only increased by the limitations placed on taxi licences. In a free market for taxis any person could purchase a vehicle and charge passengers for a trip. In this case a person driving to work could charge people in their street to travel in their car to work with no extra cost by increased revenue. Therefore, the people traveling in that vehicle would not driver their own car or take public transport which would reduce congestion.

There are many other related costs through lost economic activity that are difficult to prove or measure but are evident to an economist. The evidence of the negative effects of government restrictions on supply of goods and services can be seen in past market constraints. Russia is a clear example of the government controlling the market which causes costs on the economy. Pictures two and three below are examples of people lining up to get access to food goods due to the Soviet Russian government controlling the supply of goods and services.

Picture 2. Siberians line up outside a shop in Novokuznetsk, Russia



²² Advice provided by a hotel owner and members of the Southern Gold Coast Chamber of Commerce

Picture 3. Hindered by centralised market forces: A long queue forms in Novokuznetsk for bacon and other meat from the butcher at a state-run market



Pictures two and three above are similar to the lines now experienced by people in Queensland when trying to catch a taxi in picture four below.

Picture 4. Taxi lines in Brisbane



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Page 49 redacted for the following reason:

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Released under RTI - DPC

Bradley Rogers

From: Bradley Rogers
Sent: Thursday, 29 January 2015 11:17 AM
To: Nicholas Dowie
Subject: Taxi
Attachments: Economics of Taxi Deregulation in Queensland v2.docx

Hi Nick

Please see attached my take on the taxi issue.
I have sent this to Kate and Rachel yesterday for their consideration.
Happy to talk.

Thanks
Brad

Regards
Bradley Rogers

Principal Economic Analyst | Economic Policy | Department of the Premier and Cabinet |
Phone: 07 3003 9336 | Mobile: s.73 Personal Information | E-mail: Bradley.Rogers@premiers.qld.gov.au

Level 14 | Executive Building | 100 George Street | Brisbane QLD 4000



Customers first | Ideas into action | Unleash potential | Be courageous | Empower people

Economics of Taxi Deregulation in Queensland

Queensland Governments have developed a raft of taxi industry regulations over many years in an effort to ensure the safe and comfortable transport of the general public and to assist an emerging taxi industry. However, in the modern world many of these historic regulations have become inefficient, unrequired and costly to the general public. Modern mobile technology has provided innovation in the taxi industry to ensure all passengers are safe and happy with their chosen transport service.

There are many regulations on the current taxi and private hire vehicle drivers however, this paper will only examine three particular issues, including:

1. Driver authorisations
2. Vehicle safety requirements and
3. Taxi licences

Driver authorisations

What is a driver authorisation?

The Transport Operations (Passenger Transport) Act 1994 requires, with some exceptions, drivers of motor vehicles that are used to provide public passenger services to hold driver authorisation. Driver authorisation is a qualification that a driver of a motor vehicle providing a public passenger service must attain and maintain to operate the vehicle.

The stated purpose of driver authorisation is to ensure drivers of public passenger vehicles are suitable persons, having regard to the safety of children and other vulnerable members of the community, the personal safety of passengers and their property, public safety and the reputation of public passenger transport. The requirements for obtaining a drivers authorisation are:

1. Minimum age of 20 years old
2. Entitlement to work in Australia
3. Pass a criminal history check
4. Hold a current Australian open drivers licence
5. Held an open or provisional driver licence (Australian or overseas) continuously for at least three years for a car, truck or bus
6. In addition, the applicant must— have held an Australian driver licence (other than a learner licence) for at least 12 months continuously in the three years immediately preceding the application
7. An applicant for taxi driver authorisation must be able to speak and understand English.
8. Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course
9. Operators of taxi services must ensure a written taxi service bailment agreement

Minimum age

Applicants for taxi driver authorisation must be at least 20 years of age before their application can be accepted by the Department of Transport and Main Roads.

Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society. Australian citizens over the age of 17 are able to join the Australian Defence Force and take cars, trucks, tanks, weapons and aircraft into battle; however these same people cannot drive a taxi in Queensland.

The cost to the Queensland economy is difficult to measure however would be related to increased youth unemployment, reduced standard of living and increased cost of operations for the taxis.

Entitlement to work in Australia

Applicants for driver authorisation or renewal of driver authorisation must provide documentary proof of their entitlement to work in Australia.

This specification appears to be a statement of fact. Everyone who works in Australia has to have the entitlement to work in Australia. Managing working visas in Australia is the responsibility of the Federal Department of Immigration and Border Protection not the Queensland Department of Transport and Main Roads (DTMR).

The cost of DTMR managing and regulating this requirement is an unnecessary burden on the Queensland tax payer.

Criminal History

The applicant must have a satisfactory criminal history record having regard to the safety of children and other vulnerable members of the community, as well as the personal safety of passengers and their property.

Punishment is not for revenge, but to lessen crime and reform the criminal. - Elizabeth Fry

People in Australia who break the law and are charged are dealt with by the Australian and or State legal system. Once the person has paid their fine or completed their time in prison they have completed their legally required payment for breaking the government's laws.

The government continuing to impinge on a person's life after they have completed the original punishment is contrary to the basis for the Australian legal system and society. Driving a taxi is a very basic low level of skill job which is a perfect job for a person with a criminal history. The government using its power to stop people with a criminal history gaining employment will only further increase recidivism. Holding people in gaol is very costly both in direct government payments and in lost productivity.

Individual taxi companies may wish to check a person's criminal history and some may actually be able to maintain a high standard of driver as a selling point of its service. However, it is not reasonable for the State Government to stop people from working because of a past criminal act.

Drivers licence

Driver authorisations require a person to hold an open Australian drivers licence, have held that licence (or provisional licence) for at least three years and held that licence for at least twelve months continuously in the three years immediately preceding the application.

The first of these requirements appears to be stating a fact. Any person driving a car in Australia has to hold a drivers licence, except the requirement to hold an open licence. Under Queensland law if a person holds a provisional drivers licence they are allowed to carry passengers in their car except for P1 licence drivers between 11pm and 5am¹. Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society.

The second of these requirements is that a person has held a licence for three years. Again, under Queensland law if a person holds a drivers licence they are allowed to carry passengers in their vehicle. The Queensland Government requirement for the licence to be held for three years is a costly constraint on supply of drivers. Particular, taxi companies may wish to set a special driving test or limit its drivers by specifying a set amount of experience. These taxi companies could use its high standard of drivers as a selling point in the market. But the Queensland Government limiting the number of drivers available for service by setting arbitrary limits on driving experience will increase to cost of delivering the service and the cost to the community.

The third requirement is that the person will have held the licence for at least twelve months continuously in the three years immediately preceding the application. The wording of this requirement is unclear and appears to be ill defined. Either the person has held their licence continuously for twelve months immediately preceding the application or they have not. It is unclear what the three years has to do with this requirement.

However, the requirement to have held a licence for twelve months continuously is a costly constraint on employment and supply of drivers. A person with a drivers licence in Queensland is allowed to carry passengers and therefore there is no difference if the driver is paid money or not. If a person lost their licence due to a driving offence but has regained their licence then they should be free to drive a taxi. Once the State Government has punished a person for an offence the punishment should stop. Continuing to punish a person after a court punishment is extending the law which could dramatically affect a person's earning capability and life in general. Taxi drivers are not rich people and rely on driving for a living. If a person loses their licence for a few months it will

¹ If you are driving on a P1 licence between 11pm and 5am, and you are under 25, you can only carry 1 passenger under the age of 21 who is not an immediate family member. <https://www.qld.gov.au/transport/licensing/driver-licensing/applying/provisional/restrictions/index.html>

make their life difficult but the State Government not allowing that person to work for a further twelve months is cruel and costly. The person may turn to crime to live and then become a burden on the State through Police, court, prisons, housing and welfare payment.

Driving history

The applicant must have a driving history that the chief executive, Department of Transport and Main Roads, considers is suitable to hold driver authorisation.

This requirement is arbitrary and costly constraint on the supply of taxi drivers. If a person is licenced to drive in Queensland then they are allowed to carry passengers. Individual companies may wish to investigate a driver's history before hiring that person but it is not clear why the State Government would be concerned with this issue. The State Government has provided that person a licence that allows them to drive anywhere in Australia carrying passengers. Either that person is capable of driving or they are not.

The current wording of this requirement is arbitrary in that it requires the Chief Executive of DTMR to assess the persons driving history to be 'suitable'. It is not clear what 'suitable' means and at what level the Chief Executive must set to allow people to drive people for money. The cost of the Chief Executive and their staff to review driver's history is not justified against the small possible benefits of limiting drivers with an unsuitable driving history. An estimate of the DTMR cost of this action is \$150 to \$200 per application or \$0.5 million to \$0.9 million per year or a PV of \$5.1 million to \$9.5 million.

Language skills

An applicant for taxi driver authorisation must be able to speak and understand English. All new applicants for taxi driver authorisation in major taxi service areas (areas with 35 or more taxi service licences) need to undertake an English assessment through a Registered Training Organisation (RTO) approved by the department. However, new applicants in non-major taxi service areas (areas with 34 or fewer taxi service licences) will not be required to undertake an English assessment.

This regulation appears to be discriminating against people who do not speak English and people who cannot speak at all. There is very little benefit for the State of Queensland in requiring a taxi driver to have English language skills. However, there are significant costs in DTMR and the Department of Education, Training and Employment (DETE). Due to technological advances it is possible to use free translation software on a smart phone to communicate with a person who does not speak English.

The costs are related to DETE having to certify an RTO and manage that RTO's credentials which is redirecting valuable resources from other education activities. The cost to DTMR are related to its staff having to check these requirements are met and the RTOs are certified. The cost to the applicant is \$100 fee and the time taken to complete the test which could be in the order of a half days effort (4 hours at \$50 per hour is a cost of \$200 of time per person). That is a total cost per year of \$0.97 million to \$1.4 million or PV of \$10.2 million to \$14.3 million.

If a person or a company feels it can communicate sufficiently with its customers and are able to attract paying customers then there is no reason why the government should stop that market transaction.

Driver training

Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course specified by the Chief Executive. This course is a five day course which costs over \$550 per person. The time cost of a person attending a five day course is \$2,000² per person.

The training course is targeted at teaching the driver about the taxi regulations, education about taxicab communications, major roads, attractions and how to carry out financial transactions. There is no clear identification why the Queensland Government requires by law that a taxi driver learn any of these particular things. The modern solutions to the past issues in the taxi industry have provided cheap and easy ways of avoiding any problems that the course is aimed at solving. Mobile phones have communication, navigation, attraction identification and simple automatic payment systems.

Individual companies may wish to get their drivers to complete a course or send them on some kind of training however, there is no reason the Queensland Government should require it by law. The cost of requiring this course is the opportunity cost of redirecting qualified trainers away from trade training and other productive forms of training and the cost to the drivers of about \$8.3 million to \$11.5³ million per year or PV of \$86.8 million to \$121.6 million.

Medical test

The applicant must obtain a medical certificate for a commercial vehicle driver. The medical certificate is to be obtained from a medical practitioner and assessed in accordance with the Austroads Inc publication "Assessing to Drive - For Commercial and Private Vehicle Drivers" national medical standards.

Austroads indicate the increased medical assessment for a commercial over a non-commercial driver are set due to the increased risks:

The assignment of medical standards for vehicle drivers is based on an evaluation of the driver, passenger and public safety risk, where risk = likelihood of the event x severity of consequences. Commercial vehicle crashes may present a severe threat to passengers, other road users (including pedestrians and cyclists) and residents adjacent to the road. Such crashes present potential threats in terms of spillage of chemicals, fire and other significant property damage.

² Eight hours per day multiplied by 5 days multiplied by \$50 per hour is \$2,000

³ Assumes 2 drivers per taxi licence, between 25% and 35% driver turnover, \$2,550 per course and a discount rate of 9.5%

Austrroads sets the standards for drivers as the private standards should be applied to:

1. drivers applying for or holding a licence class C (car), R (motorcycle) or LR (light rigid) unless the driver is also applying
2. for an authority or is already authorised to use the vehicle for carrying public passengers for hire or reward or for carrying
3. bulk dangerous goods, or, in some jurisdictions, for a driving instructor.

The commercial standards should be applied to:

1. drivers of 'heavy vehicles', i.e. those holding or applying for a licence of class MR (medium rigid), HR (heavy rigid),
2. HC (heavy combination) or MC (multiple combination)
3. drivers carrying public passengers for hire or reward (bus drivers, taxi drivers, chauffeurs, drivers of hire cars and small buses, etc.)
4. drivers carrying bulk dangerous goods
5. drivers subject to requirements for Basic or Advanced Fatigue Management under the National Heavy Vehicle Accreditation Standard
6. other driver categories who may also be subject to the commercial vehicle standards as a result of certification requirements of the authorising body or as required by specific industry standards, for example, driving instructors and members of Trucksafe.

Using Austrroads test for risk (likelihood of the event x severity of consequences) it is not clear why a taxi driver would be at or cause any higher risk than any 'non-commercial driver' on the roads. The likelihood of a taxi driver having an accident is no higher than any non-commercial driver in any given hour of driving. Taxi drivers may be in more accidents overall, however this would be due to the large number of them as a group and the large number of hours driving. There are no restrictions on non-commercial class C drivers on the number of hours they drive, therefore all drivers could drive for as many or more than a taxi driver. The consequences of a taxi driver crashing is exactly the same as any non-commercial vehicle on the road. Therefore, there is no increased risk of a taxi driver compared to a normal class C driving licence holder. The simple requirement that a taxi driver hold an open Queensland licence will remove any risk the driver is under a conditional licence with any medical conditions.

The requirement for a special medical test of a taxi driver appears to be excessive red tape with no basis in public health or risk management. The cost of this requirement is the lost time of both the driver (\$20.83 to \$29.17⁴) and the doctors in completing the test (\$25.00 to 37.50⁵). The drivers direct cost of paying for the test would be about \$93.50⁶.

⁴ Assume travel time of 15 to 20 minutes and appointment time as 10 to 15 minutes at \$50 per hour

⁵ Assume appointment time of 10 to 15 minutes at \$150 per hour

⁶ Provided by Fiveways Medical Centre in Graceville

Table 1. Costs of a required medical test for taxi drivers⁷

	Low	High
Cost to Doctor	\$ 80,881	\$ 169,851
Cost to Drivers	\$ 369,897	\$ 555,600
Total Annual Cost	\$ 450,778	\$ 725,451
NPV	\$ 4,745,033	\$ 7,636,325

Sources: Premiers, 2015.

These costs do not include the opportunity cost of a doctor missing valuable time treating people with medical conditions due to taking time to test a taxi driver's ability to drive a car. Queensland doctors are spending at least 13 to 28⁸ working weeks⁹ per year on the driving medical test for taxi drivers.

Bailment agreement

Operators of taxi services must ensure a written taxi service bailment agreement is entered into with an authorised driver before permitting them to drive a taxi. Bailment describes a legal relationship in common law where physical possession of personal property, or a chattel, is transferred from one person (the 'bailor') to another person (the 'bailee') who subsequently has possession of the property.

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The employment contract between a taxi company and a driver should be a private contract which is regulated under the same requirements as any other employment contract. Disputes between drivers and taxi companies would be dealt with by the Fair Work Ombudsman or a range of other agencies¹⁰. The cost of this requirement are the time to complete and submit the form, gaining independent legal advice and processing and storing agreements in DTMR.

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⁸ Allowing 10 to 15 minutes per test

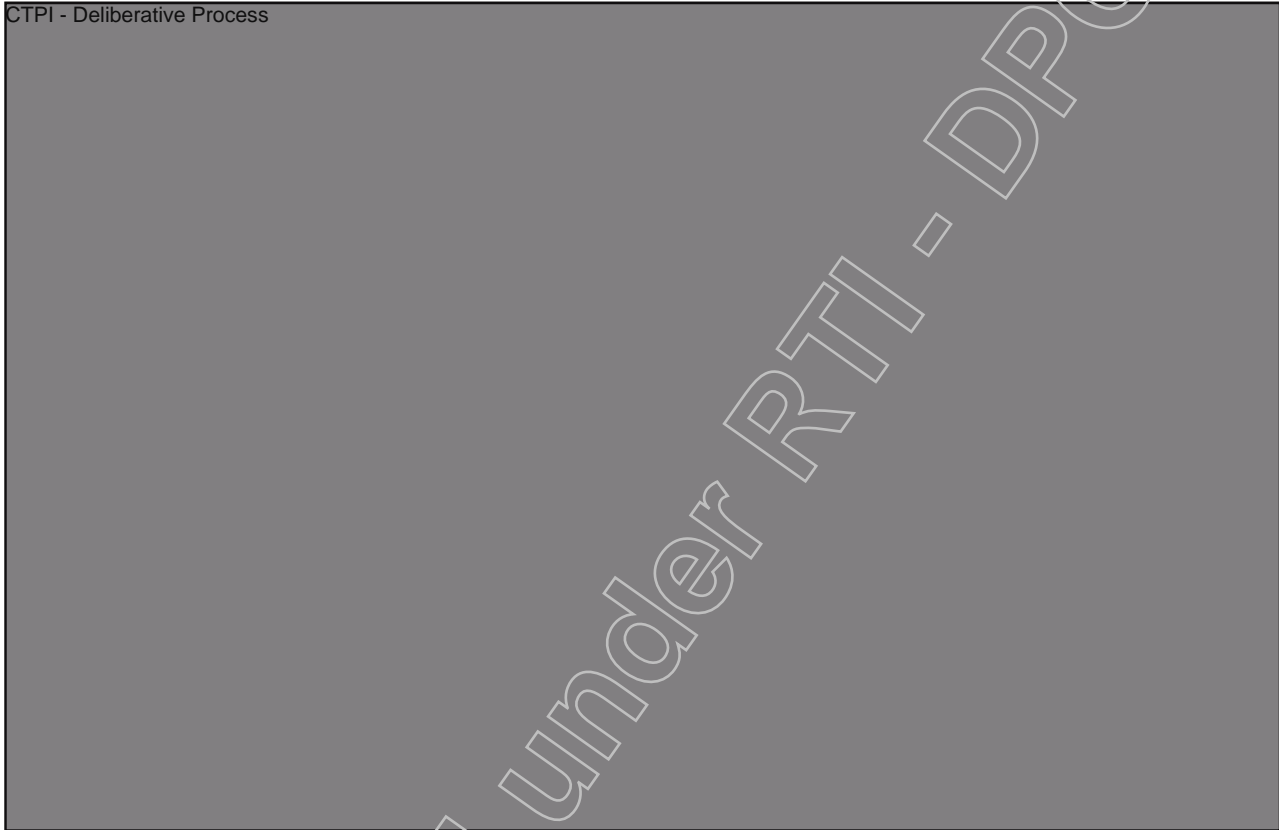
⁹ Assume a 5 day working week

¹⁰ <http://www.complaints.qld.gov.au/>

Cost to each driver for completing the form and gaining legal advice is estimated at \$800¹¹, the cost to the taxi company is about \$150¹² and the cost to DTMR is estimated at \$200¹³ per application. The total cost per application is estimated at \$1,150 which is a total of \$3.9 million per year or NPV of \$41.2 million¹⁴.

Driver authorisation conclusion

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¹¹ Assume one hour to fill in form, two hours to submit form including travel, three hours of time for legal advice and \$500 for legal advice.

¹² Assume one hour to fill in form, two hours to submit form

¹³ Assume two hours of time managing and accessing the form and the cost of storage and review

¹⁴ Assume a discount rate of 9.5%

¹⁵ <http://www.blackandwhitecabs.com.au/?q=brisbane/Becoming-a-Driver>

Vehicle safety requirements

The Queensland Transport Operations Regulation 2005¹⁶ there are a range of taxi related vehicle safety related regulations, including:

1. The chief executive may require the operator of a public passenger vehicle to get an inspection
2. An operator of a public passenger vehicle must ensure the vehicle is in a safe condition when it is being used to provide a public passenger service.
3. Passengers must have control over the opening and shutting of the vehicle's doors independently of the driver.
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5. If luggage is carried in the passenger compartment—be constructed, or have equipment fitted, to secure the luggage
6. A taxi vehicle cannot be more than six years old.
7. Taxis must be fitted with the following:
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 - b. a hail light;
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8. Type of vehicle: forward-control passenger vehicle, passenger car, off-road passenger vehicle or schedule 4 vehicle light bus having up to 12 seating positions, including the driver's position

The current vehicle safety requirements fit into two categories; one is required by all vehicles and the second is unreasonable. The first three requirements above fit into the first category of required by all vehicles. The Chief Executive can require any vehicle to be inspected as stated in Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010¹⁷. An operator of any vehicle must ensure the vehicle is in a safe condition at all times. There are very few vehicles if any in Australia that do not allow the passengers to operate the door locks.

The next five vehicle safety requirements fit into the second category of not reasonable. There is no rational reason that a taxi vehicle should have any different safety equipment or meet any higher level of safety than required for all other road vehicles. The safety of all Australian citizens is as important as the drivers or passengers of taxi vehicles. Special requirements for the carriage of luggage for taxi vehicles has no basis in real safety requirements as the luggage in a non-taxi vehicle is just as dangerous as the luggage in a taxi. The fact the driver is paid for the use of the vehicle does not increase the risk of personal injury from luggage. There are already rules about the safe

¹⁶ Transport Operations (Passenger Transport) Act 1994 Transport Operations (Passenger Transport) Regulation 2005, Current as at 1 January 2015

¹⁷ Transport Operations (Road Use Management) Act 1995, Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010, Current as at 1 January 2015

restraining of loads for all vehicles which is reasonable and all taxi vehicles will be required to meet these regulations. The cost of special requirements could be significant for each vehicle as special fixtures will need to be added to the vehicle and approved by DTMR.

The current taxi vehicle safety requirements related to a distress light, a hail light and a child restraint anchorage bolt are unreasonable and can create significant costs. All vehicles on the road are fitted with hazard lights which is considered reasonable level of safety for the general public. There is no reason why a taxi should meet a higher safety level. Most vehicles are fitted with a child restraint anchorage bolt as standard however, there is no need for a taxi to require a bolt. The road rules specify the requirements for carriage of a child in a child restraint, there is no reason why a taxi should have to carry a child if it is not fitted with the required equipment. The installation of a bolt in a vehicle is about \$280 for one point and \$380 for two points¹⁸ plus a day off the road for the vehicle and about three hours of time (about \$1,000) per vehicle.

The requirement to only use a certain type of vehicle is unreasonable constraint on the market with no safety aspect.

The highest cost taxi vehicle safety requirement is that the vehicle should be no more than six years old. There is no extra safety related to a vehicle that is less than six years of age compared to all other vehicles on the road. If the vehicle is safe enough for the general public to operate on public roads then it is safe enough for the use as a taxi vehicle. Picture 1 below demonstrates a vehicle which is in very good working condition and is allowed to operate on Queensland roads carrying up to four passengers but would not be allowed to be used as a taxi.

Picture 1. 2006 Holden Commodore VE SS



Source: CarSales.com.au¹⁹

¹⁸ Barryan Accessory Fitting 8 Seashell Drive, Deception Bay QLD 4508 T: 07 3203 2002

¹⁹ <http://www.carsales.com.au/private/details/Holden-Commodore-2006/SSE-AD-3139058/>

The highest cost of this restriction is the increase in required fares due to the high level of depreciation.

Table 3. Increase in depreciation of a \$50,000 taxi due to limited life²⁰

	Annual Depreciation	Increase in Annual Depreciation	Increase in Annual Depreciation for All Taxis in Queensland	PV for All Taxis in Queensland
Six years	\$ 8,333			
Eight years	\$ 6,250	\$ 2,083	\$ 6,445,833	\$ 67,850,877
Ten years	\$ 5,000	\$ 3,333	\$ 10,313,333	\$ 108,561,404
Twelve years	\$ 4,167	\$ 4,167	\$ 12,891,667	\$ 135,701,754

Source: Premiers, 2015.

The increase in depreciation costs will be passed on to the consumers through higher taxi fares or reduced revenue for licence owners and or drivers.

Limited taxi licences in Queensland

The largest cost of taxi regulations in Queensland are related to the limit on supply of taxi licences. There are direct costs of around \$237 million per year or PV of \$2.5 billion due to higher fares than otherwise required. The other related cost are the deadweight loss, reduced tourism, increase in driving under the influence and increased congestion.

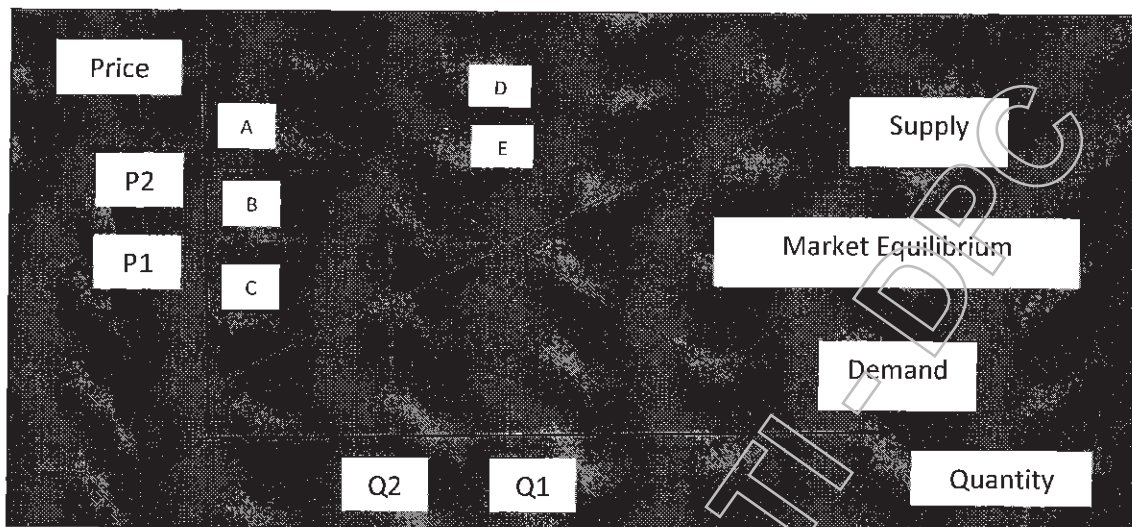
Theory of the cost of supply constraints

Economic theory provides a clear understanding of the costs associated when governments restrict the supply of goods or services. As shown in graph one below, the price will increase, there will be a deadweight loss²¹, consumers will have reduced wealth and producers will have an increase in wealth.

²⁰ Straight line depreciation assumed, the PV discount rate is 9.5%

²¹ Activity that does not happen that could have if the constraint did not exist.

Graph 1. Economic theory of supply constraint costs



Source: *Premiers, 2015.*

The government's supply restriction will reduce the quantity supplied from Q_1 to Q_2 which increases the price from P_1 to P_2 . The move away from the market equilibrium point will redistribute consumer surplus (CS) and producer surplus (PS). The original $CS = A + B + D$ and $PS = C + E$, however after the supply constraint the $CS = A$ and $PS = C + B$. That is the producers have captured a portion of the consumers surplus through the ability to charge above market prices at a low level of supply. The deadweight loss after the supply constraint is $D + E$ which is the area of economic activity that will not occur due to the restriction on supply.

Measuring the actual size of all the different areas of market changes due to the government's restriction on supply is difficult. The area B or the CS captured by producers due to the government's supply constraint is estimated by the required returns on the asset value of owning a taxi licence. Using a typical regulatory pricing model the extra returns required due to the taxi licence value is approximately 30% of the entire required revenue of taxi companies. There are many assumptions included in this price estimate and very little actual data provided to underpin the model. However, the current taxi licence cost in Queensland is approximately \$510,000 which an owner would require a return on capital of between 10% (\$51,000) and 15% (\$76,000) per year per licence. That is a cost of \$187.2 million to \$280.8 million per year (PV \$1.97 billion to \$2.96 billion) of CS reallocated from the general public to taxi licence owners through increased fares for the public and increased profits for taxi licence owners. The total modelled reduced cost to consumers is estimated at \$262.5 million per year or PV of \$2.76 billion.

Deadweight loss is difficult to measure however the related negative externalities are evident in many sectors of the Queensland economy. The major negative externalities are related to:

1. Decrease in tourism
2. Increase in driving under the influence

3. Increased congestion and
4. Reduced economic activity.

Tourism is decreased due to the high cost and lack of availability of taxi services reducing the ability for tourists to travel into and around tourist areas²². People who wish to travel to and from social events are forced to either not drink or to pay very large taxi fares while experiencing long waiting times. Therefore, the incentive is for people to take more risk in deciding to drive even though they have consumed some alcohol. The negative effects of this incentive are clear and are directly related to the government's restriction on taxi licences. Congestion on the roads in Queensland is very high and is only increased by the limitations placed on taxi licences. In a free market for taxis any person could purchase a vehicle and charge passengers for a trip. In this case a person driving to work could charge people in their street to travel in their car to work with no extra cost by increased revenue. Therefore, the people traveling in that vehicle would not driver their own car or take public transport which would reduce congestion.

There are many other related costs through lost economic activity that are difficult to prove or measure but are evident to an economist. The evidence of the negative effects of government restrictions on supply of goods and services can be seen in past market constraints. Russia is a clear example of the government controlling the market which causes costs on the economy. Pictures two and three below are examples of people lining up to get access to food goods due to the Soviet Russian government controlling the supply of goods and services.

Picture 2. Siberians line up outside a shop in Novokuznetsk, Russia



²² Advice provided by a hotel owner and members of the Southern Gold Coast Chamber of Commerce

Picture 3. Hindered by centralised market forces: A long queue forms in Novokuznetsk for bacon and other meat from the butcher at a state-run market



Pictures two and three above are similar to the lines now experienced by people in Queensland when trying to catch a taxi in picture four below.

Picture 4. Taxi lines in Brisbane



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Page 65 redacted for the following reason:

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Released under RTI - DPC

Bradley Rogers

From: Bradley Rogers
Sent: Wednesday, 28 January 2015 5:07 PM
To: Kate Carlson; Rachel Lunnon
Subject: Taxi
Attachments: Economics of Taxi Deregulation in Queensland v2.docx

Hi Team

Please see attached my final draft with the numbers up dated.
You will see the final page has a summary table with all the est costs.
Hope this is ok.

Please see me for more details or changes.

Thanks
Brad

Regards
Bradley Rogers

Principal Economic Analyst | Economic Policy | Department of the Premier and Cabinet |
Phone: 07 3003 9336 | Mobile: s.73 Personal Information | E-mail: Bradley.Rogers@premiers.qld.gov.au

Level 14 | Executive Building | 100 George Street | Brisbane QLD 4000



Customers first | Ideas into action | Unleash potential | Be courageous | Empower people

Economics of Taxi Deregulation in Queensland

Queensland Governments have developed a raft of taxi industry regulations over many years in an effort to ensure the safe and comfortable transport of the general public and to assist an emerging taxi industry. However, in the modern world many of these historic regulations have become inefficient, unrequired and costly to the general public. Modern mobile technology has provided innovation in the taxi industry to ensure all passengers are safe and happy with their chosen transport service.

There are many regulations on the current taxi and private hire vehicle drivers however, this paper will only examine three particular issues, including:

1. Driver authorisations
2. Vehicle safety requirements and
3. Taxi licences

Driver authorisations

What is a driver authorisation?

The Transport Operations (Passenger Transport) Act 1994 requires, with some exceptions, drivers of motor vehicles that are used to provide public passenger services to hold driver authorisation. Driver authorisation is a qualification that a driver of a motor vehicle providing a public passenger service must attain and maintain to operate the vehicle.

The stated purpose of driver authorisation is to ensure drivers of public passenger vehicles are suitable persons, having regard to the safety of children and other vulnerable members of the community, the personal safety of passengers and their property, public safety and the reputation of public passenger transport. The requirements for obtaining a drivers authorisation are:

1. Minimum age of 20 years old
2. Entitlement to work in Australia
3. Pass a criminal history check
4. Hold a current Australian open drivers licence
5. Held an open or provisional driver licence (Australian or overseas) continuously for at least three years for a car, truck or bus
6. In addition, the applicant must— have held an Australian driver licence (other than a learner licence) for at least 12 months continuously in the three years immediately preceding the application
7. An applicant for taxi driver authorisation must be able to speak and understand English.
8. Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course
9. Operators of taxi services must ensure a written taxi service bailment agreement

Minimum age

Applicants for taxi driver authorisation must be at least 20 years of age before their application can be accepted by the Department of Transport and Main Roads.

Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society. Australian citizens over the age of 17 are able to join the Australian Defence Force and take cars, trucks, tanks, weapons and aircraft into battle; however these same people cannot drive a taxi in Queensland.

The cost to the Queensland economy is difficult to measure however would be related to increased youth unemployment, reduced standard of living and increased cost of operations for the taxis.

Entitlement to work in Australia

Applicants for driver authorisation or renewal of driver authorisation must provide documentary proof of their entitlement to work in Australia.

This specification appears to be a statement of fact. Everyone who works in Australia has to have the entitlement to work in Australia. Managing working visas in Australia is the responsibility of the Federal Department of Immigration and Border Protection not the Queensland Department of Transport and Main Roads (DTMR).

The cost of DTMR managing and regulating this requirement is an unnecessary burden on the Queensland tax payer.

Criminal History

The applicant must have a satisfactory criminal history record having regard to the safety of children and other vulnerable members of the community, as well as the personal safety of passengers and their property.

Punishment is not for revenge, but to lessen crime and reform the criminal. - Elizabeth Fry

People in Australia who break the law and are charged are dealt with by the Australian and or State legal system. Once the person has paid their fine or completed their time in prison they have completed their legally required payment for breaking the government's laws.

The government continuing to impinge on a person's life after they have completed the original punishment is contrary to the basis for the Australian legal system and society. Driving a taxi is a very basic low level of skill job which is a perfect job for a person with a criminal history. The government using its power to stop people with a criminal history gaining employment will only further increase recidivism. Holding people in gaol is very costly both in direct government payments and in lost productivity.

Individual taxi companies may wish to check a person's criminal history and some may actually be able to maintain a high standard of driver as a selling point of its service. However, it is not reasonable for the State Government to stop people from working because of a past criminal act.

Drivers licence

Driver authorisations require a person to hold an open Australian drivers licence, have held that licence (or provisional licence) for at least three years and held that licence for at least twelve months continuously in the three years immediately preceding the application.

The first of these requirements appears to be stating a fact. Any person driving a car in Australia has to hold a drivers licence, except the requirement to hold an open licence. Under Queensland law if a person holds a provisional drivers licence they are allowed to carry passengers in their car except for P1 licence drivers between 11pm and 5am¹. Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society.

The second of these requirements is that a person has held a licence for three years. Again, under Queensland law if a person holds a drivers licence they are allowed to carry passengers in their vehicle. The Queensland Government requirement for the licence to be held for three years is a costly constraint on supply of drivers. Particular, taxi companies may wish to set a special driving test or limit its drivers by specifying a set amount of experience. These taxi companies could use its high standard of drivers as a selling point in the market. But the Queensland Government limiting the number of drivers available for service by setting arbitrary limits on driving experience will increase to cost of delivering the service and the cost to the community.

The third requirement is that the person will have held the licence for at least twelve months continuously in the three years immediately preceding the application. The wording of this requirement is unclear and appears to be ill defined. Either the person has held their licence continuously for twelve months immediately preceding the application or they have not. It is unclear what the three years has to do with this requirement.

However, the requirement to have held a licence for twelve months continuously is a costly constraint on employment and supply of drivers. A person with a drivers licence in Queensland is allowed to carry passengers and therefore there is no difference if the driver is paid money or not. If a person lost their licence due to a driving offence but has regained their licence then they should be free to drive a taxi. Once the State Government has punished a person for an offence the punishment should stop. Continuing to punish a person after a court punishment is extending the law which could dramatically affect a person's earning capability and life in general. Taxi drivers are not rich people and rely on driving for a living. If a person loses their licence for a few months it will

¹ If you are driving on a P1 licence between 11pm and 5am, and you are under 25, you can only carry 1 passenger under the age of 21 who is not an immediate family member. <https://www.qld.gov.au/transport/licensing/driver-licensing/applying/provisional/restrictions/index.html>

make their life difficult but the State Government not allowing that person to work for a further twelve months is cruel and costly. The person may turn to crime to live and then become a burden on the State through Police, court, prisons, housing and welfare payment.

Driving history

The applicant must have a driving history that the chief executive, Department of Transport and Main Roads, considers is suitable to hold driver authorisation.

This requirement is arbitrary and costly constraint on the supply of taxi drivers. If a person is licenced to drive in Queensland then they are allowed to carry passengers. Individual companies may wish to investigate a driver's history before hiring that person but it is not clear why the State Government would be concerned with this issue. The State Government has provided that person a licence that allows them to drive anywhere in Australia carrying passengers. Either that person is capable of driving or they are not.

The current wording of this requirement is arbitrary in that it requires the Chief Executive of DTMR to assess the persons driving history to be 'suitable'. It is not clear what 'suitable' means and at what level the Chief Executive must set to allow people to drive people for money. The cost of the Chief Executive and their staff to review driver's history is not justified against the small possible benefits of limiting drivers with an unsuitable driving history. An estimate of the DTMR cost of this action is \$150 to \$200 per application or \$0.5 million to \$0.9 million per year or a PV of \$5.1 million to \$9.5 million.

Language skills

An applicant for taxi driver authorisation must be able to speak and understand English. All new applicants for taxi driver authorisation in major taxi service areas (areas with 35 or more taxi service licences) need to undertake an English assessment through a Registered Training Organisation (RTO) approved by the department. However, new applicants in non-major taxi service areas (areas with 34 or fewer taxi service licences) will not be required to undertake an English assessment.

This regulation appears to be discriminating against people who do not speak English and people who cannot speak at all. There is very little benefit for the State of Queensland in requiring a taxi driver to have English language skills. However, there are significant costs in DTMR and the Department of Education, Training and Employment (DETE). Due to technological advances it is possible to use free translation software on a smart phone to communicate with a person who does not speak English.

The costs are related to DETE having to certify an RTO and manage that RTO's credentials which is redirecting valuable resources from other education activities. The cost to DTMR are related to its staff having to check these requirements are met and the RTOs are certified. The cost to the applicant is \$100 fee and the time taken to complete the test which could be in the order of a half days effort (4 hours at \$50 per hour is a cost of \$200 of time per person). That is a total cost per year of \$0.97 million to \$1.4 million or PV of \$10.2 million to \$14.3 million.

If a person or a company feels it can communicate sufficiently with its customers and are able to attract paying customers then there is no reason why the government should stop that market transaction.

Driver training

Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course specified by the Chief Executive. This course is a five day course which costs over \$550 per person. The time cost of a person attending a five day course is \$2,000² per person.

The training course is targeted at teaching the driver about the taxi regulations, education about taxicab communications, major roads, attractions and how to carry out financial transactions. There is no clear identification why the Queensland Government requires by law that a taxi driver learn any of these particular things. The modern solutions to the past issues in the taxi industry have provided cheap and easy ways of avoiding any problems that the course is aimed at solving. Mobile phones have communication, navigation, attraction identification and simple automatic payment systems.

Individual companies may wish to get their drivers to complete a course or send them on some kind of training however, there is no reason the Queensland Government should require it by law. The cost of requiring this course is the opportunity cost of redirecting qualified trainers away from trade training and other productive forms of training and the cost to the drivers of about \$8.3 million to \$11.5³ million per year or PV of \$86.8 million to \$121.6 million.

Medical test

The applicant must obtain a medical certificate for a commercial vehicle driver. The medical certificate is to be obtained from a medical practitioner and assessed in accordance with the Austroads Inc publication "Assessing to Drive – For Commercial and Private Vehicle Drivers" national medical standards.

Austroads indicate the increased medical assessment for a commercial over a non-commercial driver are set due to the increased risks:

The assignment of medical standards for vehicle drivers is based on an evaluation of the driver, passenger and public safety risk, where risk = likelihood of the event x severity of consequences. Commercial vehicle crashes may present a severe threat to passengers, other road users (including pedestrians and cyclists) and residents adjacent to the road. Such crashes present potential threats in terms of spillage of chemicals, fire and other significant property damage.

² Eight hours per day multiplied by 5 days multiplied by \$50 per hour is \$2,000

³ Assumes 2 drivers per taxi licence, between 25% and 35% driver turnover, \$2,550 per course and a discount rate of 9.5%

Austrroads sets the standards for drivers as the private standards should be applied to:

1. drivers applying for or holding a licence class C (car), R (motorcycle) or LR (light rigid) unless the driver is also applying
2. for an authority or is already authorised to use the vehicle for carrying public passengers for hire or reward or for carrying
3. bulk dangerous goods, or, in some jurisdictions, for a driving instructor.

The commercial standards should be applied to:

1. drivers of 'heavy vehicles', i.e. those holding or applying for a licence of class MR (medium rigid), HR (heavy rigid),
2. HC (heavy combination) or MC (multiple combination)
3. drivers carrying public passengers for hire or reward (bus drivers, taxi drivers, chauffeurs, drivers of hire cars and small buses, etc.)
4. drivers carrying bulk dangerous goods
5. drivers subject to requirements for Basic or Advanced Fatigue Management under the National Heavy Vehicle Accreditation Standard
6. other driver categories who may also be subject to the commercial vehicle standards as a result of certification requirements of the authorising body or as required by specific industry standards, for example, driving instructors and members of Trucksafe.

Using Austrroads test for risk (likelihood of the event x severity of consequences) it is not clear why a taxi driver would be at or cause any higher risk than any 'non-commercial driver' on the roads. The likelihood of a taxi driver having an accident is no higher than any non-commercial driver in any given hour of driving. Taxi drivers may be in more accidents overall, however this would be due to the large number of them as a group and the large number of hours driving. There are no restrictions on non-commercial class C drivers on the number of hours they drive, therefore all drivers could drive for as many or more than a taxi driver. The consequences of a taxi driver crashing is exactly the same as any non-commercial vehicle on the road. Therefore, there is no increased risk of a taxi driver compared to a normal class C driving licence holder. The simple requirement that a taxi driver hold an open Queensland licence will remove any risk the driver is under a conditional licence with any medical conditions.

The requirement for a special medical test of a taxi driver appears to be excessive red tape with no basis in public health or risk management. The cost of this requirement is the lost time of both the driver (\$20.83 to \$29.17⁴) and the doctors in completing the test (\$25.00 to 37.50⁵). The drivers direct cost of paying for the test would be about \$93.50⁶.

⁴ Assume travel time of 15 to 20 minutes and appointment time as 10 to 15 minutes at \$50 per hour

⁵ Assume appointment time of 10 to 15 minutes at \$150 per hour

⁶ Provided by Fiveways Medical Centre in Graceville

Table 1. Costs of a required medical test for taxi drivers⁷

	Low	High
Cost to Doctor	\$ 80,881	\$ 169,851
Cost to Drivers	\$ 369,897	\$ 555,600
Total Annual Cost	\$ 450,778	\$ 725,451
NPV	\$ 4,745,033	\$ 7,636,325

Sources: Premiers, 2015.

These costs do not include the opportunity cost of a doctor missing valuable time treating people with medical conditions due to taking time to test a taxi driver's ability to drive a car. Queensland doctors are spending at least 13 to 28⁸ working weeks⁹ per year on the driving medical test for taxi drivers.

Bailment agreement

Operators of taxi services must ensure a written taxi service bailment agreement is entered into with an authorised driver before permitting them to drive a taxi. Bailment describes a legal relationship in common law where physical possession of personal property, or a chattel, is transferred from one person (the 'bailor') to another person (the 'bailee') who subsequently has possession of the property.

The DTMR explanation of what is required in the bailment agreement indicates the key issues are insurance and employment conditions. Individual companies may wish to implement a form of contract with the drivers but it is not clear why the Queensland Government would require a special agreement. All companies in Queensland already pay a workers compensation premium to the Queensland Department of Work Place Health and Safety. The taxi premium is currently \$2.287 per \$100 of wages as stated in the 6 June 2014 Queensland Government Gazette No. 34.

The employment contract between a taxi company and a driver should be a private contract which is regulated under the same requirements as any other employment contract. Disputes between drivers and taxi companies would be dealt with by the Fair Work Ombudsman or a range of other agencies¹⁰. The cost of this requirement are the time to complete and submit the form, gaining independent legal advice and processing and storing agreements in DTMR.

⁷ Assume new drivers are 25% (3,235) to 35% (4,529) of total drivers per year, there are two drivers per taxi licence and the discount rate is 9.5%

⁸ Allowing 10 to 15 minutes per test

⁹ Assume a 5 day working week

¹⁰ <http://www.complaints.qld.gov.au/>

Cost to each driver for completing the form and gaining legal advice is estimated at \$800¹¹, the cost to the taxi company is about \$150¹² and the cost to DTMR is estimated at \$200¹³ per application. The total cost per application is estimated at \$1,150 which is a total of \$3.9 million per year or NPV of \$41.2 million¹⁴.

Driver authorisation conclusion

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¹¹ Assume one hour to fill in form, two hours to submit form including travel, three hours of time for legal advice and \$500 for legal advice.

¹² Assume one hour to fill in form, two hours to submit form

¹³ Assume two hours of time managing and accessing the form and the cost of storage and review

¹⁴ Assume a discount rate of 9.5%

¹⁵ <http://www.blackandwhitecabs.com.au/?q=brisbane/Becoming-a-Driver>

Vehicle safety requirements

The Queensland Transport Operations Regulation 2005¹⁶ there are a range of taxi related vehicle safety related regulations, including:

1. The chief executive may require the operator of a public passenger vehicle to get an inspection
2. An operator of a public passenger vehicle must ensure the vehicle is in a safe condition when it is being used to provide a public passenger service.
3. Passengers must have control over the opening and shutting of the vehicle's doors independently of the driver.
4. A taxi must be constructed, or have a safety partition or some other equipment fitted, to prevent luggage or other goods being carried in the luggage compartment of the vehicle from entering the passenger compartment
5. If luggage is carried in the passenger compartment—be constructed, or have equipment fitted, to secure the luggage
6. A taxi vehicle cannot be more than six years old.
7. Taxis must be fitted with the following:
 - a. a green distress light;
 - b. a hail light;
 - c. a child restraint anchorage bolt.
8. Type of vehicle: forward-control passenger vehicle, passenger car, off-road passenger vehicle or schedule 4 vehicle light bus having up to 12 seating positions, including the driver's position

The current vehicle safety requirements fit into two categories; one is required by all vehicles and the second is unreasonable. The first three requirements above fit into the first category of required by all vehicles. The Chief Executive can require any vehicle to be inspected as stated in Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010¹⁷. An operator of any vehicle must ensure the vehicle is in a safe condition at all times. There are very few vehicles if any in Australia that do not allow the passengers to operate the door locks.

The next five vehicle safety requirements fit into the second category of not reasonable. There is no rational reason that a taxi vehicle should have any different safety equipment or meet any higher level of safety than required for all other road vehicles. The safety of all Australian citizens is as important as the drivers or passengers of taxi vehicles. Special requirements for the carriage of luggage for taxi vehicles has no basis in real safety requirements as the luggage in a non-taxi vehicle is just as dangerous as the luggage in a taxi. The fact the driver is paid for the use of the vehicle does not increase the risk of personal injury from luggage. There are already rules about the safe

¹⁶ Transport Operations (Passenger Transport) Act 1994 Transport Operations (Passenger Transport) Regulation 2005, Current as at 1 January 2015

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restraining of loads for all vehicles which is reasonable and all taxi vehicles will be required to meet these regulations. The cost of special requirements could be significant for each vehicle as special fixtures will need to be added to the vehicle and approved by DTMR.

The current taxi vehicle safety requirements related to a distress light, a hail light and a child restraint anchorage bolt are unreasonable and can create significant costs. All vehicles on the road are fitted with hazard lights which is considered reasonable level of safety for the general public. There is no reason why a taxi should meet a higher safety level. Most vehicles are fitted with a child restraint anchorage bolt as standard however, there is no need for a taxi to require a bolt. The road rules specify the requirements for carriage of a child in a child restraint, there is no reason why a taxi should have to carry a child if it is not fitted with the required equipment. The installation of a bolt in a vehicle is about \$280 for one point and \$380 for two points¹⁸ plus a day off the road for the vehicle and about three hours of time (about \$1,000) per vehicle.

The requirement to only use a certain type of vehicle is unreasonable constraint on the market with no safety aspect.

The highest cost taxi vehicle safety requirement is that the vehicle should be no more than six years old. There is no extra safety related to a vehicle that is less than six years of age compared to all other vehicles on the road. If the vehicle is safe enough for the general public to operate on public roads then it is safe enough for the use as a taxi vehicle. Picture 1 below demonstrates a vehicle which is in very good working condition and is allowed to operate on Queensland roads carrying up to four passengers but would not be allowed to be used as a taxi.

Picture 1. 2006 Holden Commodore VE SS



Source: CarSales.com.au¹⁹

¹⁸ Barryan Accessory Fitting 8 Seashell Drive, Deception Bay QLD 4508 T: 07 3203 2002

¹⁹ <http://www.carsales.com.au/private/details/Holden-Commodore-2006/SSE-AD-3139058/>

The highest cost of this restriction is the increase in required fares due to the high level of depreciation.

Table 3. Increase in depreciation of a \$50,000 taxi due to limited life²⁰

	Annual Depreciation	Increase in Annual Depreciation	Increase in Annual Depreciation for All Taxis in Queensland	PV for All Taxis in Queensland
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Source: Premiers, 2015.

The increase in depreciation costs will be passed on to the consumers through higher taxi fares or reduced revenue for licence owners and or drivers.

Limited taxi licences in Queensland

The largest cost of taxi regulations in Queensland are related to the limit on supply of taxi licences. There are direct costs of around \$237 million per year or PV of \$2.5 billion due to higher fares than otherwise required. The other related cost are the deadweight loss, reduced tourism, increase in driving under the influence and increased congestion.

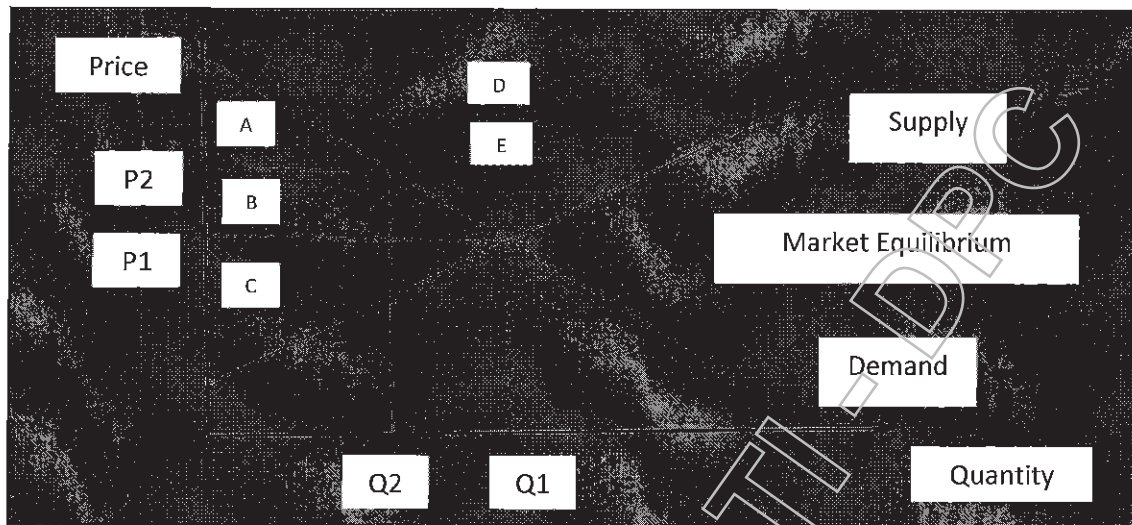
Theory of the cost of supply constraints

Economic theory provides a clear understanding of the costs associated when governments restrict the supply of goods or services. As shown in graph one below, the price will increase, there will be a deadweight loss²¹, consumers will have reduced wealth and producers will have an increase in wealth.

²⁰ Straight line depreciation assumed, the PV discount rate is 9.5%

²¹ Activity that does not happen that could have if the constraint did not exist.

Graph 1. Economic theory of supply constraint costs



Source: Premiers, 2015.

The government's supply restriction will reduce the quantity supplied from Q_1 to Q_2 which increases the price from P_1 to P_2 . The move away from the market equilibrium point will redistribute consumer surplus (CS) and producer surplus (PS). The original $CS = A + B + D$ and $PS = C + E$, however after the supply constraint the $CS = A$ and $PS = C + B$. That is the producers have captured a portion of the consumers surplus through the ability to charge above market prices at a low level of supply. The deadweight loss after the supply constraint is $D + E$ which is the area of economic activity that will not occur due to the restriction on supply.

Measuring the actual size of all the different areas of market changes due to the government's restriction on supply is difficult. The area B or the CS captured by producers due to the government's supply constraint is estimated by the required returns on the asset value of owning a taxi licence. Using a typical regulatory pricing model the extra returns required due to the taxi licence value is approximately 30% of the entire required revenue of taxi companies. There are many assumptions included in this price estimate and very little actual data provided to underpin the model. However, the current taxi licence cost in Queensland is approximately \$510,000 which an owner would require a return on capital of between 10% (\$51,000) and 15% (\$76,000) per year per licence. That is a cost of \$187.2 million to \$280.8 million per year (PV \$1.97 billion to \$2.96 billion) of CS reallocated from the general public to taxi licence owners through increased fares for the public and increased profits for taxi licence owners. The total modelled reduced cost to consumers is estimated at \$262.5 million per year or PV of \$2.76 billion.

Deadweight loss is difficult to measure however the related negative externalities are evident in many sectors of the Queensland economy. The major negative externalities are related to:

1. Decrease in tourism
2. Increase in driving under the influence

3. Increased congestion and
4. Reduced economic activity.

Tourism is decreased due to the high cost and lack of availability of taxi services reducing the ability for tourists to travel into and around tourist areas²². People who wish to travel to and from social events are forced to either not drink or to pay very large taxi fares while experiencing long waiting times. Therefore, the incentive is for people to take more risk in deciding to drive even though they have consumed some alcohol. The negative effects of this incentive are clear and are directly related to the government's restriction on taxi licences. Congestion on the roads in Queensland is very high and is only increased by the limitations placed on taxi licences. In a free market for taxis any person could purchase a vehicle and charge passengers for a trip. In this case a person driving to work could charge people in their street to travel in their car to work with no extra cost by increased revenue. Therefore, the people traveling in that vehicle would not driver their own car or take public transport which would reduce congestion.

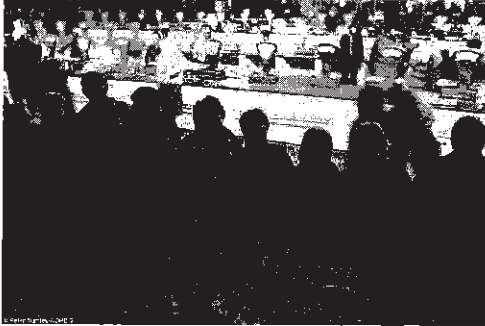
There are many other related costs through lost economic activity that are difficult to prove or measure but are evident to an economist. The evidence of the negative effects of government restrictions on supply of goods and services can be seen in past market constraints. Russia is a clear example of the government controlling the market which causes costs on the economy. Pictures two and three below are examples of people lining up to get access to food goods due to the Soviet Russian government controlling the supply of goods and services.

Picture 2. Siberians line up outside a shop in Novokuznetsk, Russia



²² Advice provided by a hotel owner and members of the Southern Gold Coast Chamber of Commerce

Picture 3. Hindered by centralised market forces: A long queue forms in Novokuznetsk for bacon and other meat from the butcher at a state-run market



Pictures two and three above are similar to the lines now experienced by people in Queensland when trying to catch a taxi in picture four below.

Picture 4. Taxi lines in Brisbane



CTPI - Deliberative Process

Page 81 redacted for the following reason:

CTPI - Deliberative Process

Released under RTI - DPC

Bradley Rogers

From: Bradley Rogers
Sent: Tuesday, 27 January 2015 4:11 PM
To: Kate Carlson
Cc: Rachel Lunnon
Subject: Taxi
Attachments: Queensland Taxi Deregulation.docx

Hi Team

Please see attached a further update on my taxi assessment.
I aim to finish it tomorrow.

Thanks
Brad

Regards
Bradley Rogers

Principal Economic Analyst | Economic Policy | Department of the Premier and Cabinet |
Phone: 07 3003 9336 | Mobile: s.73 Personal Information | E-mail: Bradley.Rogers@premiers.qld.gov.au

Level 14 | Executive Building | 100 George Street | Brisbane QLD 4000



Customers first | Ideas into action | Unleash potential | Be courageous | Empower people

Pages 83 through 85 redacted for the following reasons:

CTPI - Deliberative Process

Released under RTI - DPC

Bradley Rogers

From: Bradley Rogers
Sent: Thursday, 22 January 2015 6:16 PM
To: Nicholas Dowie; Kate Carlson; Rachel Lunnon
Subject: Taxi
Attachments: Economics of Taxi Deregulation in Queensland v1.docx

Hi Team

Please see attached my work so far.

This is only one of the three issues Kate asked me to review.

I am collecting data as I go to provide a model of total costs at the end.

Tomorrow I should have much more done for your review.

Thanks

Brad

Regards

Bradley Rogers

Principal Economic Analyst | Economic Policy | Department of the Premier and Cabinet |
Phone: 07 3003 9336 | Mobile s.73 Personal Information | E-mail: Bradley.Rogers@premiers.qld.gov.au

Level 14 | Executive Building | 100 George Street | Brisbane QLD 4000



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Economics of Taxi Deregulation in Queensland

Queensland Governments have developed a raft of taxi industry regulations over many years in an effort to ensure the safe and comfortable transport of the general public and to assist an emerging taxi industry. However, in the modern world many of these historic regulations have become inefficient, unrequired and costly to the general public. Modern mobile technology has provided innovation in the taxi industry to ensure all passengers are safe and happy with their chosen transport service.

There are many regulations on the current taxi and private hire vehicle drivers however, this paper will only examine three particular issues, including:

1. Driver authorisations
2. Vehicle safety requirements and
3. Taxi licences

Driver authorisations

What is a driver authorisation?

The Transport Operations (Passenger Transport) Act 1994 requires, with some exceptions, drivers of motor vehicles that are used to provide public passenger services to hold driver authorisation. Driver authorisation is a qualification that a driver of a motor vehicle providing a public passenger service must attain and maintain to operate the vehicle.

The stated purpose of driver authorisation is to ensure drivers of public passenger vehicles are suitable persons, having regard to the safety of children and other vulnerable members of the community, the personal safety of passengers and their property, public safety and the reputation of public passenger transport. The requirements for obtaining a drivers authorisation are:

1. Minimum age of 20 years old
2. Entitlement to work in Australia
3. Pass a criminal history check
4. Hold a current Australian open drivers licence
5. Held an open or provisional driver licence (Australian or overseas) continuously for at least three years for a car, truck or bus
6. In addition, the applicant must— have held an Australian driver licence (other than a learner licence) for at least 12 months continuously in the three years immediately preceding the application
7. An applicant for taxi driver authorisation must be able to speak and understand English.
8. Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course
9. Operators of taxi services must ensure a written taxi service bailment agreement

Minimum age

Applicants for taxi driver authorisation must be at least 20 years of age before their application can be accepted by the Department of Transport and Main Roads.

Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society. Australian citizens over the age of 17 are able to join the Australian Defence Force and take cars, trucks, tanks, weapons and aircraft into battle; however these same people cannot drive a taxi in Queensland.

The cost to the Queensland economy is difficult to measure however would be related to increased youth unemployment, reduced standard of living and increased cost of operations for the taxis.

Entitlement to work in Australia

Applicants for driver authorisation or renewal of driver authorisation must provide documentary proof of their entitlement to work in Australia.

This specification appears to be a statement of fact. Everyone who works in Australia has to have the entitlement to work in Australia. Managing working visas in Australia is the responsibility of the Federal Department of Immigration and Border Protection not the Queensland Department of Transport and Main Roads (DTMR).

The cost of DTMR managing and regulating this requirement is an unnecessary burden on the Queensland tax payer.

Criminal History

The applicant must have a satisfactory criminal history record having regard to the safety of children and other vulnerable members of the community, as well as the personal safety of passengers and their property.

Punishment is not for revenge, but to lessen crime and reform the criminal. - Elizabeth Fry

People in Australia who break the law and are charged are dealt with by the Australian and or State legal system. Once the person has paid their fine or completed their time in prison they have completed their legally required payment for breaking the government's laws.

The government continuing to impinge on a person's life after they have completed the original punishment is contrary to the basis for the Australian legal system and society. Driving a taxi is a very basic low level of skill job which is a perfect job for a person with a criminal history. The government using its power to stop people with a criminal history gaining employment will only further increase recidivism. Holding people in gaol is very costly both in direct government payments and in lost productivity.

Individual taxi companies may wish to check a person's criminal history and some may actually be able to maintain a high standard of driver as a selling point of its service. However, it is not reasonable for the State Government to stop people from working because of a past criminal act.

Drivers licence

Driver authorisations require a person to hold an open Australian drivers licence, have held that licence (or provisional licence) for at least three years and held that licence for at least twelve months continuously in the three years immediately preceding the application.

The first of these requirements appears to be stating a fact. Any person driving a car in Australia has to hold a drivers licence, except the requirement to hold an open licence. Under Queensland law if a person holds a provisional drivers licence they are allowed to carry passengers in their car except for P1 licence drivers between 11pm and 5am¹. Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society.

The second of these requirements is that a person has held a licence for three years. Again, under Queensland law if a person holds a drivers licence they are allowed to carry passengers in their vehicle. The Queensland Government requirement for the licence to be held for three years is a costly constraint on supply of drivers. Particular, taxi companies may wish to set a special driving test or limit its drivers by specifying a set amount of experience. These taxi companies could use its high standard of drivers as a selling point in the market. But the Queensland Government limiting the number of drivers available for service by setting arbitrary limits on driving experience will increase to cost of delivering the service and the cost to the community.

The third requirement is that the person will have held the licence for at least twelve months continuously in the three years immediately preceding the application. The wording of this requirement is unclear and appears to be ill defined. Either the person has held their licence continuously for twelve months immediately preceding the application or they have not. It is unclear what the three years has to do with this requirement.

However, the requirement to have held a licence for twelve months continuously is a costly constraint on employment and supply of drivers. A person with a drivers licence in Queensland is allowed to carry passengers and therefore there is no difference if the driver is paid money or not. If a person lost their licence due to a driving offence but has regained their licence then they should be free to drive a taxi. Once the State Government has punished a person for an offence the punishment should stop. Continuing to punish a person after a court punishment is extending the law which could dramatically affect a person's earning capability and life in general. Taxi drivers are not rich people and rely on driving for a living. If a person loses their licence for a few months it will

¹ If you are driving on a P1 licence between 11pm and 5am, and you are under 25, you can only carry 1 passenger under the age of 21 who is not an immediate family member. <https://www.qld.gov.au/transport/licensing/driver-licensing/applying/provisional/restrictions/index.html>

make their life difficult but the State Government not allowing that person to work for a further twelve months is cruel and costly. The person may turn to crime to live and then become a burden on the State through Police, court, prisons, housing and welfare payment.

Driving history

The applicant must have a driving history that the chief executive, Department of Transport and Main Roads, considers is suitable to hold driver authorisation.

This requirement is arbitrary and costly constraint on the supply of taxi drivers. If a person is licenced to drive in Queensland then they are allowed to carry passengers. Individual companies may wish to investigate a driver's history before hiring that person but it is not clear why the State Government would be concerned with this issue. The State Government has provided that person a licence that allows them to drive anywhere in Australia carrying passengers. Either that person is capable of driving or they are not.

The current wording of this requirement is arbitrary in that it requires the Chief Executive of DTMR to assess the persons driving history to be 'suitable'. It is not clear what 'suitable' means and at what level the Chief Executive must set to allow people to drive people for money. The cost of the Chief Executive and their staff to review driver's history is not justified against the small possible benefits of limiting drivers with an unsuitable driving history.

Language skills

An applicant for taxi driver authorisation must be able to speak and understand English. All new applicants for taxi driver authorisation in major taxi service areas (areas with 35 or more taxi service licences) need to undertake an English assessment through a Registered Training Organisation (RTO) approved by the department. However, new applicants in non-major taxi service areas (areas with 34 or fewer taxi service licences) will not be required to undertake an English assessment.

This regulation appears to be discriminating against people who do not speak English and people who cannot speak at all. There is very little benefit for the State of Queensland in requiring a taxi driver to have English language skills. However, there are significant costs in DTMR and the Department of Education, Training and Employment (DETE). Due to technological advances it is possible to use free translation software on a smart phone to communicate with a person who does not speak English.

The costs are related to DETE having to certify an RTO and manage that RTO's credentials which is redirecting valuable resources from other education activities. The cost to DTMR are related to its staff having to check these requirements are met and the RTOs are certified. The cost to the applicant is \$100 fee and the time taken to complete the test which could be in the order of a half days effort (4 hours at \$50 per hour is a cost of \$200 of time per person).

If a person or a company feels it can communicate sufficiently with its customers and are able to attract paying customers then there is no reason why the government should stop that market transaction.

Driver training

Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course specified by the Chief Executive.

This course is a five day course which costs over \$550 per person. The time cost of a person attending a five day course is \$2,000² per person.

Medical test

The applicant must obtain a medical certificate for a commercial vehicle driver. The medical certificate is to be obtained from a medical practitioner and assessed in accordance with the Austroads Inc publication "Assessing to Drive – For Commercial and Private Vehicle Drivers" national medical standards.

Bailment agreement

Operators of taxi services must ensure a written taxi service bailment agreement is entered into with an authorised driver before permitting them to drive a taxi.

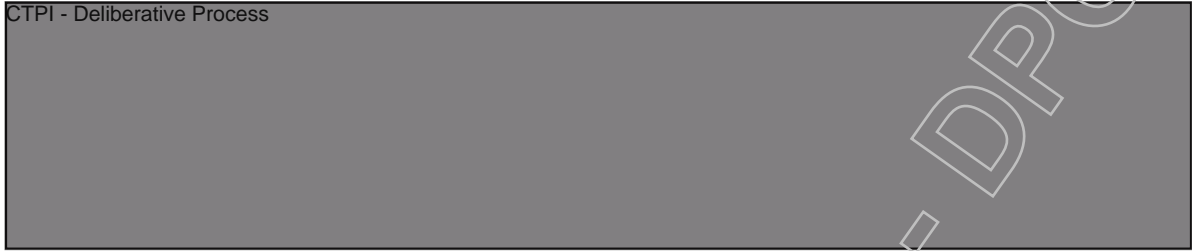
Bailment describes a legal relationship in common law where physical possession of personal property, or a chattel, is transferred from one person (the 'bailor') to another person (the 'bailee') who subsequently has possession of the property

Cost of application to DTMR is \$35.05

<http://www.blackandwhitecabs.com.au/?q=brisbane/Becoming-a-Driver>

² Eight hours per day multiplied by 5 days multiplied by \$50 per hour is \$2,000

CTPI - Deliberative Process



Released under RTI - DPC

Bradley Rogers

From: Bradley Rogers <bradseconomics@hotmail.com>
Sent: Monday, 19 January 2015 7:21 PM
To: Bradley Rogers
Subject: Taxi
Attachments: Taxi Operating Costs.xlsx; Queensland Taxi Licenses and Drunken Violence v3.docx; WOVG-Response-Taxi-Inquiry-2013.pdf; taxiregulation Productivity Commission.pdf; the impact of deregulation on the northern territory commercial passenger vehicle industry.pdf; the new zealand taxi system.pdf; Pdf_taxi_users_guide_09.pdf; QLD Transport Annual Report 2.pdf; QLD Transport Annual Report.pdf; bp5-part-13-2010-11.doc

Regards
Bradley Rogers

Mobile: s.73 Personal Information

Released under RTI - DP60

Darwin Taxi Rates	
Northern Territory	
Peak Rates (06:00 - 17:59)	
Flag Fall	\$4.20
	Distance Rate
	\$1.49 Free
	Booking Fee
Off Peak Rates (18:00 - 05:59 + Saturday & Sunday)	
Flag Fall	\$5.00
	Distance Rate
	\$1.83 Free
	Booking Fee

Brisbane Taxi Rates	
Queensland	
Peak Rates (07:00 - 19:00)	
Flag Fall	\$2.90
	Distance Rate
	\$2.14
	Booking Fee
Off Peak Rates (19:01 - 06:59 + Saturday & Sunday)	
Flag Fall	\$6.30
	Distance Rate
	\$2.14
	Booking Fee
	\$1.50

Distance		10 km
	Peak	Off Peak
Darwin Fare	\$	19.79
Brisbane Fare	\$	23.30
	-\$	3.51
		-27%
		-18%

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Waiting Time
\$53.73/hour

Waiting Time
\$53.73/hour

Waiting Time
\$47.40/hour

Waiting Time
\$47.40/hour

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	
Registration	
Insurance	
Vehicle repairs & maintenance (will vary with age of car)	
Driver Pay	
Fuel	
Total	

Revenue Required	1	2	3
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 4,308	\$ 4,415	\$ 4,526
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813
<i>Sub Total</i>	\$ 261,284	\$ 265,694	\$ 270,215
Required Income Per Shift	\$ 1,089	\$ 1,107	\$ 1,126
Required Income Per Trip			
	\$ 22.00	\$ 22.52	\$ 23.06
	\$ 9.11	\$ 9.11	\$ 9.11
	29%	29%	28%

Expected Income			
Low	\$ 261,284	\$ 267,816	\$ 274,512
High	\$ 339,670	\$ 348,161	\$ 356,865
Expected Income Per Shift			
Low	\$ 1,089	\$ 1,116	\$ 1,144
High	\$ 1,415	\$ 1,451	\$ 1,487
Expected Income Per Trip			
Low	\$ 31	\$ 32	\$ 33
High	\$ 40	\$ 41	\$ 42

Net Income			
Low	\$ -	\$ 2,122	\$ 4,297
High	\$ 78,385	\$ 82,467	\$ 86,650

Income per shift			
Low	\$ 1,089	\$ 1,116	\$ 1,144
High	\$ 1,415	\$ 1,451	\$ 1,487

Net Income per shift			
Low	\$ -	\$ 9	\$ 18
High	\$ 327	\$ 344	\$ 361

Net Income per week			
Low	\$ -	\$ 44	\$ 90

High	\$ 1,633	\$ 1,718	\$ 1,805
Net Income per Year			
Low	\$ -	\$ 2,299	\$ 4,655
High	\$ 84,917	\$ 89,339	\$ 93,871

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\$ 9,400
\$ 1,100
\$ 10,000
\$ 10,000
\$ 100,000
\$ 41,600
\$ 172,100

	Life	Asset Value	Annual Depreciation
Licence		\$ 510,000	
Car	15	\$ 50,000	\$ 3,333
Other Assets	6	\$ 5,845	\$ 974
Total		\$ 565,845	\$ 4,308

4	5	6
\$ 84,877	\$ 84,877	\$ 84,877
\$ 4,639	\$ 4,755	\$ 4,874
\$ 185,333	\$ 189,966	\$ 194,715
\$ 274,848	\$ 279,598	\$ 284,466
\$ 1,145	\$ 1,165	\$ 1,185
\$ 23.61	\$ 24.18	\$ 24.76
\$ 9.11	\$ 9.11	\$ 9.11
28%	27%	27%

\$ 281,375	\$ 288,409	\$ 295,619
\$ 365,787	\$ 374,932	\$ 384,305

\$ 1,172	\$ 1,202	\$ 1,232
\$ 1,524	\$ 1,562	\$ 1,601

\$ 33	\$ 34	\$ 35
\$ 44	\$ 45	\$ 46

\$ 6,526	\$ 8,811	\$ 11,154
\$ 90,939	\$ 95,334	\$ 99,839

\$ 1,172	\$ 1,202	\$ 1,232
\$ 1,524	\$ 1,562	\$ 1,601

\$ 27	\$ 37	\$ 46
\$ 379	\$ 397	\$ 416

\$ 136	\$ 184	\$ 232
--------	--------	--------

1993
 \$ 190,000 \$ 20.67
 2.7 \$ 9.55

\$ 100,000
 240
 8

\$ 1,895	\$ 1,986	\$ 2,080
----------	----------	----------

\$ 7,070	\$ 9,546	\$ 12,083
\$ 98,517	\$ 103,278	\$ 108,159

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Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$ 41,600

Assumptions	
Cars Life	15
WACC	15.0%
Inflation	2.5%
Resale Value	\$ 22,485
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cab
Expectatio
n

\$182,000
\$234,000

2013
\$ 55.48
\$ 25.63
\$ 81.12 \$ 648.93
\$ 50,000,000
1920 \$ 52.08

<http://www>

Years

Released under RTI - DPC

Released under RTI - DPC

ESTABLISHMENT COSTS	
Licence Purchase	
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 55,845

Operating Costs
Service Fees
Registration
Insurance
Vehicle repairs & maintenance (will vary with age of car)
Driver Pay
Fuel
Total

Revenue Required	1	2	3
Return on Capital	\$ 8,377	\$ 8,377	\$ 8,377
Return of Capital	\$ 4,308	\$ 4,415	\$ 4,526
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813
<i>Sub Total</i>	<i>\$ 184,784</i>	<i>\$ 189,194</i>	<i>\$ 193,715</i>
Required Income Per Shift	\$ 770	\$ 788	\$ 807
Required Income Per Trip			

Expected Income			
Low	\$ 184,784	\$ 189,404	\$ 194,139
High	\$ 240,220	\$ 246,225	\$ 252,381
Expected Income Per Shift			
Low	\$ 770	\$ 789	\$ 809
High	\$ 1,001	\$ 1,026	\$ 1,052
Expected Income Per Trip			
Low	\$ 22	\$ 23	\$ 23
High	\$ 29	\$ 29	\$ 30

Net Income			
Low	\$ -	\$ 209	\$ 424
High	\$ 55,435	\$ 57,031	\$ 58,666

Income per shift			
Low	\$ 770	\$ 789	\$ 809
High	\$ 1,001	\$ 1,026	\$ 1,052

Net Income per shift			
Low	\$ -	\$ 1	\$ 2
High	\$ 231	\$ 238	\$ 244

Net Income per week			
Low	\$ -	\$ 4	\$ 9
High	\$ 1,155	\$ 1,188	\$ 1,222

Net Income per Year			
Low	\$ -	\$ 227	\$ 459

High	\$ 60,055	\$ 61,783	\$ 63,555
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Released under RTI - DPC

\$ 9,400
\$ 1,100
\$ 10,000
\$ 10,000
\$ 100,000
\$ 41,600
\$ 172,100

	Life	Asset Value	Annual Depreciation
Licence		\$ -	
Car	15	\$ 50,000	\$ 3,333
Other Assets	6	\$ 5,845	\$ 974
Total		\$ 55,845	\$ 4,308

4	5	6
\$ 8,377	\$ 8,377	\$ 8,377
\$ 4,639	\$ 4,755	\$ 4,874
\$ 185,333	\$ 189,966	\$ 194,715
\$ 198,348	\$ 203,098	\$ 207,966
\$ 826	\$ 846	\$ 867

\$ 198,992	\$ 203,967	\$ 209,066
\$ 258,690	\$ 265,157	\$ 271,786

		1993	2013
\$ 190,000	\$	20.67	\$ -
-	\$	9.55	\$ -
			\$ -

\$ 829	\$ 850	\$ 871
\$ 1,078	\$ 1,105	\$ 1,132

\$ 24	\$ 24	\$ 25
\$ 31	\$ 32	\$ 32

\$ 644	\$ 870	\$ 1,101
\$ 60,342	\$ 62,060	\$ 63,821

\$ 829	\$ 850	\$ 871
\$ 1,078	\$ 1,105	\$ 1,132

\$ 3	\$ 4	\$ 5
\$ 251	\$ 259	\$ 266

\$ 13	\$ 18	\$ 23
\$ 1,257	\$ 1,293	\$ 1,330

\$ 698	\$ 942	\$ 1,193
--------	--------	----------

\$ 65,370	\$ 67,231	\$ 69,139
-----------	-----------	-----------

Released under RTI - DPC

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$ 41,600

Assumptions	
Cars Life	15
WACC	15.0%
Inflation	2.5%
Resale Value	\$ 22,485
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Number of Trips per year	8,400

13.71

\$ -
 \$ 50,000,000
 \$ 261,284
 \$ 184,784
 \$ 76,500
 29%

Released under RIAA DPC

Years

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MAY 2013

GOVERNMENT RESPONSE

TAXI INDUSTRY INQUIRY
FINAL RECOMMENDATIONS



This page replaces a
publicly available
document 40 pages

Released under RTI - OPC

Bradley Rogers

From: Bradley Rogers
Sent: Tuesday, 10 February 2015 9:23 AM
To: Craig Wilson
Subject: Taxis
Attachments: Calculation .docx; Economics of Taxi Deregulation in Queensland v3.docx

Please see attached my report on the cost of taxi regulation.

Thanks
Brad

Regards
Bradley Rogers

Principal Economic Analyst | Economic Policy | Department of the Premier and Cabinet |
Phone: 07 3003 9336 | Mobile: s.73 Personal Information | E-mail: Bradley.Rogers@premiers.qld.gov.au

Level 14 | Executive Building | 100 George Street | Brisbane QLD 4000



Customers first | Ideas into action | Unleash potential | Be courageous | Empower people

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Calculation of reduced costs due to removal of limits of taxi licences

Using a typical regulatory pricing model the extra returns required due to the taxi licence value is approximately 30% of the entire required revenue of taxi companies. There are many assumptions included in this price estimate and very little actual data provided to underpin the model. However, the current average taxi licence cost in Queensland is approximately \$510,000 which an owner would require a return on capital of between 10% (\$51,000) and 15% (\$76,500) per year per licence. That is a cost of \$166.4 million to \$249.5 million per year (PV \$1.75 billion to \$2.63 billion) of CS reallocated from the general public to taxi licence owners through increased fares for the public and increased profits for taxi licence owners. The total modelled reduced cost to consumers is estimated at \$249.5 million per year or PV of \$2.62 billion.

Assumptions

The main assumption that will affect the modelling of the required returns on a taxi licence is the value of the licence and the weighted average cost of capital (WACC). The WACC is a standard financial measure for an investor's required return on an asset (Return on Capital (RoC)) given the estimated risk associated with the asset or its returns. Table 1 below is an estimate of the required revenue for a taxi licence owner in Queensland. The return of capital is an estimate of depreciation expenses and the "Opex & Maint" is an estimate of the operational and maintenance expenses of a Queensland taxi business.

Table 1. Required annual revenue for a taxi in Queensland

Revenue Required	1	2	3	4	5	6
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Per Lic Total</i>	<i>\$ 266,284</i>	<i>\$ 270,819</i>	<i>\$ 275,468</i>	<i>\$ 280,233</i>	<i>\$ 285,117</i>	<i>\$ 290,123</i>

Source: Premiers, 2015.

Table 2 below provides a list of the assumed inputs for a Queensland taxi business as advised by the Black & White Cabs website.

Table 2. Capital costs of a Queensland taxi business

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Source: Black & White Cabs

Below table 3 shows the calculation of a high and low estimate of a Queensland taxi businesses annual required RoC on its licence when the licence cost is \$510,000. The WACC of 10% and 15% were used as this is a reasonable measure of risk relative to Australian regulated companies regulated RoC. The Queensland Competition Authority (QCA) and other Australian regulators publish estimates of WACC each year on the websites².

Table 3. Estimated RoC required annual revenue for Queensland taxi licenses

	WACC	RoC Per Lic	RoC All Lic
Low	10%	\$ 51,000	\$ 166,362,000
High	15%	\$ 76,500	\$ 249,543,000

Source: Premiers, 2015.

¹ <http://www.blackandwhitecabs.com.au/?q=perth/buying-a-licence>

² <http://www.qca.org.au/Rail/Aurizon/Intro-to-Aurizon/2013-Draft-Access-Undertaking/Ti/In-Progress/Cost-of-Capital>

Table 4 below provides some more detailed examples of the RoC requirements for different taxi licence holders in Queensland. The model assumed the annual RoC of a taxi licence was \$76,500 per annum which gives an estimate of the total value of all licences in Queensland of \$1.66 billion.

Table 4. Model estimates of Queensland taxi licence holders RoC and values

	Est Value	WACC 10%	WACC 15%
Brisbane	\$ 523,000	\$ 52,300	\$ 78,450
Sunshine Coast	\$ 435,600	\$ 43,560	\$ 65,340
Gladstone	\$ 246,900	\$ 24,690	\$ 37,035
Gold Coast	\$ 581,936	\$ 58,194	\$ 87,290
Total	\$ 1,150,000,000	\$ 115,000,000	\$ 172,500,000
Brad's Total	\$ 1,663,620,000		\$ 249,543,000

Source: Premiers, 2015.

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Economics of Taxi Deregulation in Queensland

Queensland Governments have developed a raft of taxi industry regulations over many years in an effort to ensure the safe and comfortable transport of the general public and to assist an emerging taxi industry. However, in the modern world many of these historic regulations have become inefficient, unrequired and costly to the general public. Modern mobile technology has provided innovation in the taxi industry to ensure all passengers are safe and happy with their chosen transport service.

There are many regulations on the current taxi and private hire vehicle drivers however, this paper will only examine three particular issues, including:

1. Driver authorisations
2. Vehicle safety requirements and
3. Taxi licences

Driver authorisations

What is a driver authorisation?

The Transport Operations (Passenger Transport) Act 1994 requires, with some exceptions, drivers of motor vehicles that are used to provide public passenger services to hold driver authorisation. Driver authorisation is a qualification that a driver of a motor vehicle providing a public passenger service must attain and maintain to operate the vehicle.

The stated purpose of driver authorisation is to ensure drivers of public passenger vehicles are suitable persons, having regard to the safety of children and other vulnerable members of the community, the personal safety of passengers and their property, public safety and the reputation of public passenger transport. The requirements for obtaining a drivers authorisation are:

1. Minimum age of 20 years old
2. Entitlement to work in Australia
3. Pass a criminal history check
4. Hold a current Australian open drivers licence
5. Held an open or provisional driver licence (Australian or overseas) continuously for at least three years for a car, truck or bus
6. In addition, the applicant must— have held an Australian driver licence (other than a learner licence) for at least 12 months continuously in the three years immediately preceding the application
7. An applicant for taxi driver authorisation must be able to speak and understand English.
8. Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course
9. Operators of taxi services must ensure a written taxi service bailment agreement

Minimum age

Applicants for taxi driver authorisation must be at least 20 years of age before their application can be accepted by the Department of Transport and Main Roads.

Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society. Australian citizens over the age of 17 are able to join the Australian Defence Force and take cars, trucks, tanks, weapons and aircraft into battle; however these same people cannot drive a taxi in Queensland.

The cost to the Queensland economy is difficult to measure however would be related to increased youth unemployment, reduced standard of living and increased cost of operations for the taxis.

Entitlement to work in Australia

Applicants for driver authorisation or renewal of driver authorisation must provide documentary proof of their entitlement to work in Australia.

This specification appears to be a statement of fact. Everyone who works in Australia has to have the entitlement to work in Australia. Managing working visas in Australia is the responsibility of the Federal Department of Immigration and Border Protection not the Queensland Department of Transport and Main Roads (DTMR).

The cost of DTMR managing and regulating this requirement is an unnecessary burden on the Queensland tax payer.

Criminal History

The applicant must have a satisfactory criminal history record having regard to the safety of children and other vulnerable members of the community, as well as the personal safety of passengers and their property.

Punishment is not for revenge, but to lessen crime and reform the criminal. - Elizabeth Fry

People in Australia who break the law and are charged are dealt with by the Australian and or State legal system. Once the person has paid their fine or completed their time in prison they have completed their legally required payment for breaking the government's laws.

The government continuing to impinge on a person's life after they have completed the original punishment is contrary to the basis for the Australian legal system and society. Driving a taxi is a very basic low level of skill job which is a perfect job for a person with a criminal history. The government using its power to stop people with a criminal history gaining employment will only further increase recidivism. Holding people in gaol is very costly both in direct government payments and in lost productivity.

Individual taxi companies may wish to check a person's criminal history and some may actually be able to maintain a high standard of driver as a selling point of its service. However, it is not reasonable for the State Government to stop people from working because of a past criminal act.

Drivers licence

Driver authorisations require a person to hold an open Australian drivers licence, have held that licence (or provisional licence) for at least three years and held that licence for at least twelve months continuously in the three years immediately preceding the application.

The first of these requirements appears to be stating a fact. Any person driving a car in Australia has to hold a drivers licence, except the requirement to hold an open licence. Under Queensland law if a person holds a provisional drivers licence they are allowed to carry passengers in their car except for P1 licence drivers between 11pm and 5am¹. Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society.

The second of these requirements is that a person has held a licence for three years. Again, under Queensland law if a person holds a drivers licence they are allowed to carry passengers in their vehicle. The Queensland Government requirement for the licence to be held for three years is a costly constraint on supply of drivers. Particular, taxi companies may wish to set a special driving test or limit its drivers by specifying a set amount of experience. These taxi companies could use its high standard of drivers as a selling point in the market. But the Queensland Government limiting the number of drivers available for service by setting arbitrary limits on driving experience will increase to cost of delivering the service and the cost to the community.

The third requirement is that the person will have held the licence for at least twelve months continuously in the three years immediately preceding the application. The wording of this requirement is unclear and appears to be ill defined. Either the person has held their licence continuously for twelve months immediately preceding the application or they have not. It is unclear what the three years has to do with this requirement.

However, the requirement to have held a licence for twelve months continuously is a costly constraint on employment and supply of drivers. A person with a drivers licence in Queensland is allowed to carry passengers and therefore there is no difference if the driver is paid money or not. If a person lost their licence due to a driving offence but has regained their licence then they should be free to drive a taxi. Once the State Government has punished a person for an offence the punishment should stop. Continuing to punish a person after a court punishment is extending the law which could dramatically affect a person's earning capability and life in general. Taxi drivers are not rich people and rely on driving for a living. If a person loses their licence for a few months it will

¹ If you are driving on a P1 licence between 11pm and 5am, and you are under 25, you can only carry 1 passenger under the age of 21 who is not an immediate family member. <https://www.qld.gov.au/transport/licensing/driver-licensing/applying/provisional/restrictions/index.html>

make their life difficult but the State Government not allowing that person to work for a further twelve months is cruel and costly. The person may turn to crime to live and then become a burden on the State through Police, court, prisons, housing and welfare payment.

Driving history

The applicant must have a driving history that the chief executive, Department of Transport and Main Roads, considers is suitable to hold driver authorisation.

This requirement is arbitrary and costly constraint on the supply of taxi drivers. If a person is licenced to drive in Queensland then they are allowed to carry passengers. Individual companies may wish to investigate a driver's history before hiring that person but it is not clear why the State Government would be concerned with this issue. The State Government has provided that person a licence that allows them to drive anywhere in Australia carrying passengers. Either that person is capable of driving or they are not.

The current wording of this requirement is arbitrary in that it requires the Chief Executive of DTMR to assess the persons driving history to be 'suitable'. It is not clear what 'suitable' means and at what level the Chief Executive must set to allow people to drive people for money. The cost of the Chief Executive and their staff to review driver's history is not justified against the small possible benefits of limiting drivers with an unsuitable driving history. An estimate of the DTMR cost of this action is \$150 to \$200 per application or \$0.5 million to \$0.9 million per year or a PV of \$5.1 million to \$9.5 million.

Language skills

An applicant for taxi driver authorisation must be able to speak and understand English. All new applicants for taxi driver authorisation in major taxi service areas (areas with 35 or more taxi service licences) need to undertake an English assessment through a Registered Training Organisation (RTO) approved by the department. However, new applicants in non-major taxi service areas (areas with 34 or fewer taxi service licences) will not be required to undertake an English assessment.

This regulation appears to be discriminating against people who do not speak English and people who cannot speak at all. There is very little benefit for the State of Queensland in requiring a taxi driver to have English language skills. However, there are significant costs in DTMR and the Department of Education, Training and Employment (DETE). Due to technological advances it is possible to use free translation software on a smart phone to communicate with a person who does not speak English.

The costs are related to DETE having to certify an RTO and manage that RTO's credentials which is redirecting valuable resources from other education activities. The cost to DTMR are related to its staff having to check these requirements are met and the RTOs are certified. The cost to the applicant is \$100 fee and the time taken to complete the test which could be in the order of a half days effort (4 hours at \$50 per hour is a cost of \$200 of time per person). That is a total cost per year of \$0.97 million to \$1.4 million or PV of \$10.2 million to \$14.3 million.

If a person or a company feels it can communicate sufficiently with its customers and are able to attract paying customers then there is no reason why the government should stop that market transaction.

Driver training

Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course specified by the Chief Executive. This course is a five day course which costs over \$550 per person. The time cost of a person attending a five day course is \$2,000² per person.

The training course is targeted at teaching the driver about the taxi regulations, education about taxicab communications, major roads, attractions and how to carry out financial transactions. There is no clear identification why the Queensland Government requires by law that a taxi driver learn any of these particular things. The modern solutions to the past issues in the taxi industry have provided cheap and easy ways of avoiding any problems that the course is aimed at solving. Mobile phones have communication, navigation, attraction identification and simple automatic payment systems.

Individual companies may wish to get their drivers to complete a course or send them on some kind of training however, there is no reason the Queensland Government should require it by law. The cost of requiring this course is the opportunity cost of redirecting qualified trainers away from trade training and other productive forms of training and the cost to the drivers of about \$8.3 million to \$11.5³ million per year or PV of \$86.8 million to \$121.6 million.

Medical test

The applicant must obtain a medical certificate for a commercial vehicle driver. The medical certificate is to be obtained from a medical practitioner and assessed in accordance with the Austroads Inc publication "Assessing to Drive – For Commercial and Private Vehicle Drivers" national medical standards.

Austroads indicate the increased medical assessment for a commercial over a non-commercial driver are set due to the increased risks:

The assignment of medical standards for vehicle drivers is based on an evaluation of the driver, passenger and public safety risk, where risk = likelihood of the event x severity of consequences. Commercial vehicle crashes may present a severe threat to passengers, other road users (including pedestrians and cyclists) and residents adjacent to the road. Such crashes present potential threats in terms of spillage of chemicals, fire and other significant property damage.

² Eight hours per day multiplied by 5 days multiplied by \$50 per hour is \$2,000

³ Assumes 2 drivers per taxi licence, between 25% and 35% driver turnover, \$2,550 per course and a discount rate of 9.5%

Austrroads sets the standards for drivers as the private standards should be applied to drivers applying for or holding a licence class C (car), R (motorcycle) or LR (light rigid) unless the driver is also applying for an authority or is already authorised to use the vehicle for carrying public passengers for hire or reward or for carrying bulk dangerous goods, or, in some jurisdictions, for a driving instructor.

The commercial standards should be applied to:

1. drivers of 'heavy vehicles', i.e. those holding or applying for a licence of class MR (medium rigid), HR (heavy rigid),
2. HC (heavy combination) or MC (multiple combination)
3. drivers carrying public passengers for hire or reward (bus drivers, taxi drivers, chauffeurs, drivers of hire cars and small buses, etc.)
4. drivers carrying bulk dangerous goods
5. drivers subject to requirements for Basic or Advanced Fatigue Management under the National Heavy Vehicle Accreditation Standard
6. other driver categories who may also be subject to the commercial vehicle standards as a result of certification requirements of the authorising body or as required by specific industry standards, for example, driving instructors and members of Trucksafe.

Using Austrroads test for risk (likelihood of the event multiplied by the severity of consequences) it is not clear why a taxi driver would be at or cause any higher risk than any 'non-commercial driver' on the roads. The likelihood of a taxi driver having an accident is no higher than any non-commercial driver in any given hour of driving. Taxi drivers may be in more accidents overall, however this would be due to the large number of them as a group and the large number of hours driving. There are no restrictions on non-commercial class C drivers on the number of hours they drive, therefore all drivers could drive for as many or more than a taxi driver. The consequences of a taxi driver crashing is exactly the same as any non-commercial vehicle on the road. Therefore, there is no increased risk of a taxi driver compared to a normal class C driving licence holder. The simple requirement that a taxi driver hold an open Queensland licence will remove any risk the driver is under a conditional licence with any medical conditions.

The requirement for a special medical test of a taxi driver appears to be excessive red tape with no basis in public health or risk management. The cost of this requirement is the lost time of both the driver (\$20.83 to \$29.17⁴) and the doctors in completing the test (\$25.00 to 37.50⁵). The drivers direct cost of paying for the test would be about \$93.50⁶.

⁴ Assume travel time of 15 to 20 minutes and appointment time as 10 to 15 minutes at \$50 per hour

⁵ Assume appointment time of 10 to 15 minutes at \$150 per hour

⁶ Provided by Fiveways Medical Centre in Graceville

Table 1. Costs of a required medical test for taxi drivers⁷

	Low	High
Cost to Doctor	\$ 80,881	\$ 169,851
Cost to Drivers	\$ 369,897	\$ 555,600
Total Annual Cost	\$ 450,778	\$ 725,451
NPV	\$ 4,745,033	\$ 7,636,325

Sources: Premiers, 2015.

These costs do not include the opportunity cost of a doctor missing valuable time treating people with medical conditions due to taking time to test a taxi driver's ability to drive a car. Queensland doctors are spending at least 13 to 28⁸ working weeks⁹ per year on the driving medical test for taxi drivers.

Bailment agreement

Operators of taxi services must ensure a written taxi service bailment agreement is entered into with an authorised driver before permitting them to drive a taxi. Bailment describes a legal relationship in common law where physical possession of personal property, or a chattel, is transferred from one person (the 'bailor') to another person (the 'bailee') who subsequently has possession of the property.

The DTMR explanation of what is required in the bailment agreement indicates the key issues are insurance and employment conditions. Individual companies may wish to implement a form of contract with the drivers but it is not clear why the Queensland Government would require a special agreement. All companies in Queensland already pay a workers compensation premium to the Queensland Department of Work Place Health and Safety. The taxi premium is currently \$2.287 per \$100 of wages as stated in the 6 June 2014 Queensland Government Gazette No. 34. Currently, Uber has implemented rules to cover the drivers and passengers with insurance. The driver must have comprehensive car insurance which covers the driver and Uber has a worldwide public liability insurance which covers the passengers.

The employment contract between a taxi company and a driver should be a private contract which is regulated under the same requirements as any other employment contract. Disputes between drivers and taxi companies would be dealt with by the Fair Work Ombudsman or a range of other agencies¹⁰. The cost of this requirement are the time to complete and submit the form, gaining independent legal advice and processing and storing agreements in DTMR.

⁷ Assume new drivers are 25% (3,235) to 35% (4,529) of total drivers per year, there are two drivers per taxi licence and the discount rate is 9.5%

⁸ Allowing 10 to 15 minutes per test

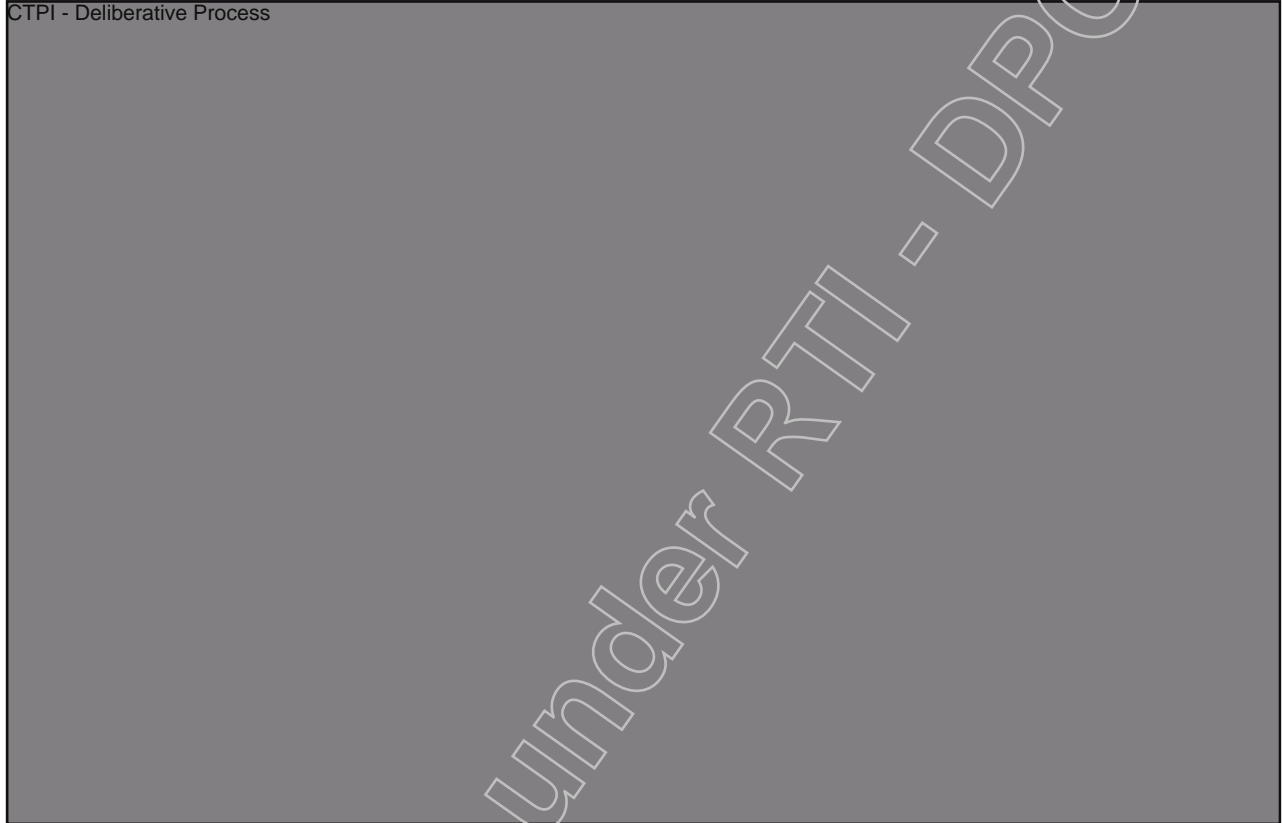
⁹ Assume a 5 day working week

¹⁰ <http://www.complaints.qld.gov.au/>

Cost to each driver for completing the form and gaining legal advice is estimated at \$800¹¹, the cost to the taxi company is about \$150¹² and the cost to DTMR is estimated at \$200¹³ per application. The total cost per application is estimated at \$1,150 which is a total of \$3.9 million per year or NPV of \$41.2 million¹⁴.

Driver authorisation conclusion

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¹¹ Assume one hour to fill in form, two hours to submit form including travel, three hours of time for legal advice and \$500 for legal advice.

¹² Assume one hour to fill in form, two hours to submit form

¹³ Assume two hours of time managing and accessing the form and the cost of storage and review

¹⁴ Assume a discount rate of 9.5%

¹⁵ <http://www.blackandwhitecabs.com.au/?q=brisbane/Becoming-a-Driver>

Vehicle safety requirements

The Queensland Transport Operations Regulation 2005¹⁶ there are a range of taxi related vehicle safety related regulations, including:

1. The chief executive may require the operator of a public passenger vehicle to get an inspection
2. An operator of a public passenger vehicle must ensure the vehicle is in a safe condition when it is being used to provide a public passenger service.
3. Passengers must have control over the opening and shutting of the vehicle's doors independently of the driver.
4. A taxi must be constructed, or have a safety partition or some other equipment fitted, to prevent luggage or other goods being carried in the luggage compartment of the vehicle from entering the passenger compartment
5. If luggage is carried in the passenger compartment—be constructed, or have equipment fitted, to secure the luggage
6. A taxi vehicle cannot be more than six years old.
7. Taxis must be fitted with the following:
 - a. a green distress light;
 - b. a hail light;
 - c. a child restraint anchorage bolt.
8. Type of vehicle: forward-control passenger vehicle, passenger car, off-road passenger vehicle or schedule 4 vehicle light bus having up to 12 seating positions, including the driver's position

The current vehicle safety requirements fit into two categories; one is required by all vehicles and the second is unreasonable. The first three requirements above fit into the first category of required by all vehicles. The Chief Executive can require any vehicle to be inspected as stated in Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010¹⁷. An operator of any vehicle must ensure the vehicle is in a safe condition at all times. There are very few vehicles if any in Australia that do not allow the passengers to operate the door locks.

The next five vehicle safety requirements fit into the second category of not reasonable. There is no rational reason that a taxi vehicle should have any different safety equipment or meet any higher level of safety than required for all other road vehicles. The safety of all Australian citizens is as important as the drivers or passengers of taxi vehicles. Special requirements for the carriage of luggage for taxi vehicles has no basis in real safety requirements as the luggage in a non-taxi vehicle is just as dangerous as the luggage in a taxi. The fact the driver is paid for the use of the vehicle does not increase the risk of personal injury from luggage. There are already rules about the safe

¹⁶ Transport Operations (Passenger Transport) Act 1994 Transport Operations (Passenger Transport) Regulation 2005, Current as at 1 January 2015

¹⁷ Transport Operations (Road Use Management) Act 1995, Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010, Current as at 1 January 2015

restraining of loads for all vehicles which is reasonable and all taxi vehicles will be required to meet these regulations. The cost of special requirements could be significant for each vehicle as special fixtures will need to be added to the vehicle and approved by DTMR.

The current taxi vehicle safety requirements related to a distress light, a hail light and a child restraint anchorage bolt are unreasonable and can create significant costs. All vehicles on the road are fitted with hazard lights which is considered reasonable level of safety for the general public. There is no reason why a taxi should meet a higher safety level. Most vehicles are fitted with a child restraint anchorage bolt as standard however, there is no need for a taxi to require a bolt. The road rules specify the requirements for carriage of a child in a child restraint, there is no reason why a taxi should have to carry a child if it is not fitted with the required equipment. The installation of a bolt in a vehicle is about \$280 for one point and \$380 for two points¹⁸ plus a day off the road for the vehicle and about three hours of time (about \$1,000) per vehicle.

The requirement to only use a certain type of vehicle is unreasonable constraint on the market with no safety aspect.

The highest cost taxi vehicle safety requirement is that the vehicle should be no more than six years old. There is no extra safety related to a vehicle that is less than six years of age compared to all other vehicles on the road. If the vehicle is safe enough for the general public to operate on public roads then it is safe enough for the use as a taxi vehicle. Picture 1 below demonstrates a vehicle which is in very good working condition and is allowed to operate on Queensland roads carrying up to four passengers but would not be allowed to be used as a taxi.

Picture 1. 2006 Holden Commodore VE SS



Source: CarSales.com.au¹⁹

¹⁸ Barryan Accessory Fitting 8 Seashell Drive, Deception Bay QLD 4508 T: 07 3203 2002

¹⁹ <http://www.carsales.com.au/private/details/Holden-Commodore-2006/SSE-AD-3139058/>

The highest cost of this restriction is the increase in required fares due to the high level of depreciation.

Table 3. Increase in depreciation of a \$50,000 taxi due to limited life²⁰

	Annual Depreciation	Increase in Annual Depreciation	Increase in Annual Depreciation for All Taxis in Queensland	PV for All Taxis in Queensland
Six years	\$ 8,333			
Eight years	\$ 6,250	\$ 2,083	\$ 6,445,833	\$ 67,850,877
Ten years	\$ 5,000	\$ 3,333	\$ 10,313,333	\$ 108,561,404
Twelve years	\$ 4,167	\$ 4,167	\$ 12,891,667	\$ 135,701,754

Source: Premiers, 2015.

The increase in depreciation costs will be passed on to the consumers through higher taxi fares or reduced revenue for licence owners and or drivers.

Limited taxi licences in Queensland

The largest cost of taxi regulations in Queensland are related to the limit on supply of taxi licences. There are direct costs of around \$249.5 million per year or PV of \$2.6 billion due to higher fares than otherwise required. The other related cost are the deadweight loss, reduced tourism, increase in driving under the influence and increased congestion.

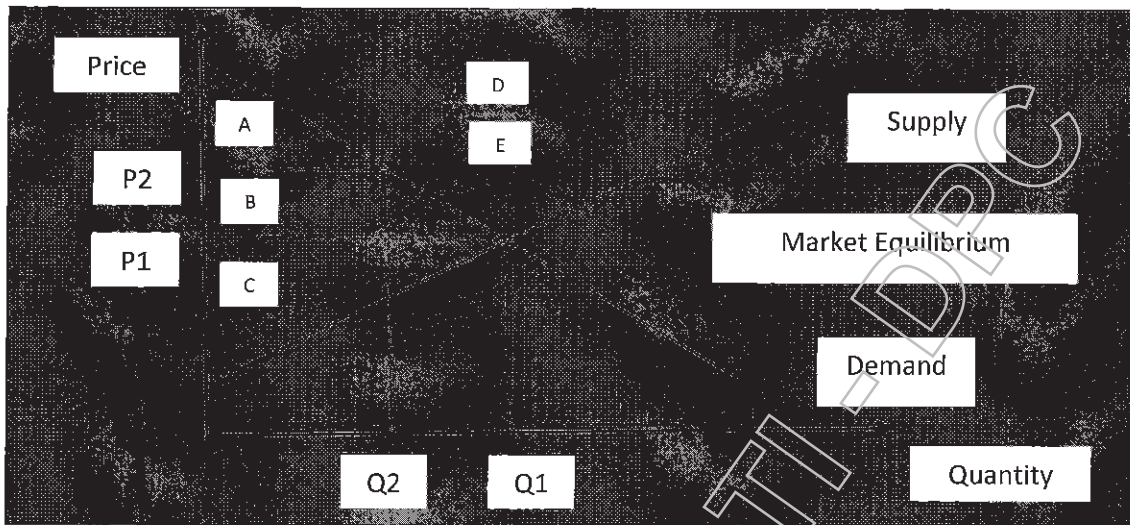
Theory of the cost of supply constraints

Economic theory provides a clear understanding of the costs associated when governments restrict the supply of goods or services. As shown in graph one below, the price will increase, there will be a deadweight loss²¹, consumers will have reduced wealth and producers will have an increase in wealth.

²⁰ Straight line depreciation assumed, the PV discount rate is 9.5%

²¹ Activity that does not happen that could have if the constraint did not exist.

Graph 1. Economic theory of supply constraint costs



Source: *Premiers, 2015.*

The government's supply restriction will reduce the quantity supplied from Q_1 to Q_2 which increases the price from P_1 to P_2 . The move away from the market equilibrium point will redistribute consumer surplus (CS) and producer surplus (PS). The original $CS = A + B + D$ and $PS = C + E$, however after the supply constraint the $CS = A$ and $PS = C + B$. That is the producers have captured a portion of the consumers surplus through the ability to charge above market prices at a low level of supply. The deadweight loss after the supply constraint is $D + E$ which is the area of economic activity that will not occur due to the restriction on supply.

Measuring the actual size of all the different areas of market changes due to the government's restriction on supply is difficult. The area B of the CS captured by producers due to the government's supply constraint is estimated by the required returns on the asset value of owning a taxi licence. Using a typical regulatory pricing model the extra returns required due to the taxi licence value is approximately 30% of the entire required revenue of taxi companies. There are many assumptions included in this price estimate and very little actual data provided to underpin the model. However, the current taxi licence cost in Queensland is approximately \$510,000 which an owner would require a return on capital of between 10% (\$51,000) and 15% (\$76,500) per year per licence. That is a cost of \$166.4 million to \$249.5 million per year (PV \$1.75 billion to \$2.61 billion) of CS reallocated from the general public to taxi licence owners through increased fares for the public and increased profits for taxi licence owners. The total modelled reduced cost to consumers is estimated at \$249.5 million per year or PV of \$2.62 billion.

Deadweight loss is difficult to measure however the related negative externalities are evident in many sectors of the Queensland economy. The major negative externalities are related to:

1. Decrease in tourism
2. Increase in driving under the influence

3. Increased congestion and
4. Reduced economic activity.

Tourism is decreased due to the high cost and lack of availability of taxi services reducing the ability for tourists to travel into and around tourist areas²². People who wish to travel to and from social events are forced to either not drink or to pay very large taxi fares while experiencing long waiting times. Therefore, the incentive is for people to take more risk in deciding to drive even though they have consumed some alcohol. The negative effects of this incentive are clear and are directly related to the government's restriction on taxi licences. Congestion on the roads in Queensland is very high and is only increased by the limitations placed on taxi licences. In a free market for taxis any person could purchase a vehicle and charge passengers for a trip. In this case a person driving to work could charge people in their street to travel in their car to work with no extra cost by increased revenue. Therefore, the people traveling in that vehicle would not driver their own car or take public transport which would reduce congestion.

There are many other related costs through lost economic activity that are difficult to prove or measure but are evident to an economist. The evidence of the negative effects of government restrictions on supply of goods and services can be seen in past market constraints. Russia is a clear example of the government controlling the market which causes costs on the economy. Pictures two and three below are examples of people lining up to get access to food goods due to the Soviet Russian government controlling the supply of goods and services.

Picture 2. Siberians line up outside a shop in Novokuznetsk, Russia



²² Advice provided by a hotel owner and members of the Southern Gold Coast Chamber of Commerce

Picture 3. Hindered by centralised market forces: A long queue forms in Novokuznetsk for bacon and other meat from the butcher at a state-run market



Pictures two and three above are similar to the lines now experienced by people in Queensland when trying to catch a taxi in picture four below.

Picture 4. Taxi lines in Brisbane



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Page 130 redacted for the following reason:

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Released under RTI - DPC

Bradley Rogers

From: Kate Carlson
Sent: Wednesday, 21 January 2015 12:21 PM
To: Bradley Rogers
Cc: Rachel Lunnon
Subject: Taxis

Hi Brad,

As discussed this morning, I would appreciate your assistance with analysis/modelling in relation to taxi regulation. Specifically:

- Potential benefits to operators, users and the economy more broadly of reducing regulatory requirements on taxi drivers / licence holders for example:
 - driver authorisations,
 - vehicle safety requirements,
 - taxi licences
- Projected value of taxi licences and possible compensation scenarios

Rachel's tracking down the data we identified that may be useful in undertaking this analysis and will pass this on as soon as possible. Happy to chat further on assumptions and parameters for this analysis...

Cheers,

Kate Carlson

A/Director | Economic Policy | Department of the Premier and Cabinet
Level 14 | 100 George Street, Brisbane.
Phone: 07 300 39343 | Mobile: s.73 Personal Information
e-mail: kate.carlson@premiers.qld.gov.au



Released under RTI - DPC

Bradley Rogers

From: Craig Wilson
Sent: Monday, 23 March 2015 2:00 PM
To: Kate Carlson; Nicholas Dowie; Rachel Lunnon; Bradley Rogers

<http://www.news.com.au/finance/business/uberx-versus-taxis-why-the-time-for-taxis-is-over/story-fnkgde2y-1227274842438>

Craig Wilson

Senior Executive Director | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane 4000.
Phone: 07 300 39459 | mob. s.73 Personal | e-mail: craig.wilson@premiers.qld.gov.au
Information



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Bradley Rogers

From: Bradley Rogers
Sent: Friday, 6 February 2015 11:18 AM
To: Catherine Baldwin
Subject: Update on Policy
Attachments: Labor employment election.docx

Please see last page regarding land supply and local gov regs.

Thanks
Brad

Regards
Bradley Rogers

Principal Economic Analyst | Economic Policy | Department of the Premier and Cabinet |
Phone: 07 3003 9336 | Mobile: s.73 Personal Information | E-mail: Bradley.Rogers@premiers.qld.gov.au

Level 14 | Executive Building | 100 George Street | Brisbane QLD 4000



Customers first | Ideas into action | Unleash potential | Be courageous | Empower people

Bradley Rogers

From: Rachel Lunnon
Sent: Wednesday, 28 January 2015 5:20 PM
To: Bradley Rogers
Subject: updated taxi figures

- The taxi industry in Queensland is a fully commercial industry that moves 80 to 90 million passengers each year using demand responsive (hail and rank) and pre-booked services.
- There are approximately 3262 taxis in Queensland including 644 (19.7%) wheelchair accessible taxis (WAT). There are 2329 taxi licences in South East Queensland (SEQ) taxis contract service areas and 765 for regional contract taxi service areas.
- These figures do not include other public passenger sectors including limousines and general service vehicles
- The estimated value of an individual taxi license in Brisbane is \$523,000 and \$581,936 on the Gold Coast. Licences in regional areas generally have a lower estimated value, for example, \$435,600 on the Sunshine Coast and \$246,900 in Gladstone. TMR estimates that the total value of taxi licences in Queensland is approximately \$1.4 billion (\$1.15 billion in SEQ).
- There are approximately 2191 taxi licence holders, 43% of licence holders are individuals and 57% are organisations including partnerships.

Rachel Lunnon | Economic Policy | Department of Premier and Cabinet | ☎ 07 3003 9323 | ✉
rachel.lunnon@premiers.qld.gov.au |

♻️ Please consider the environment before printing this email

Bradley Rogers

From: Matthew Geck <matthew.geck@treasury.qld.gov.au>
Sent: Wednesday, 1 April 2015 10:26 AM
To: Bradley Rogers
Subject: Young Economists Coffee and Taxis

Hi Brad,

I notice YE is hosting a taxi/uber coffee talk next week. I've been looking at this for Treasury, I'll make sure to attend.

Cheers

Matt Geck
Economist
Economics Division
Queensland Treasury
Level 7, Executive Building, 100 George Street
Phone: (07) 3035 6469
Email: matthew.geck@treasury.qld.gov.au
Web: www.treasury.qld.gov.au



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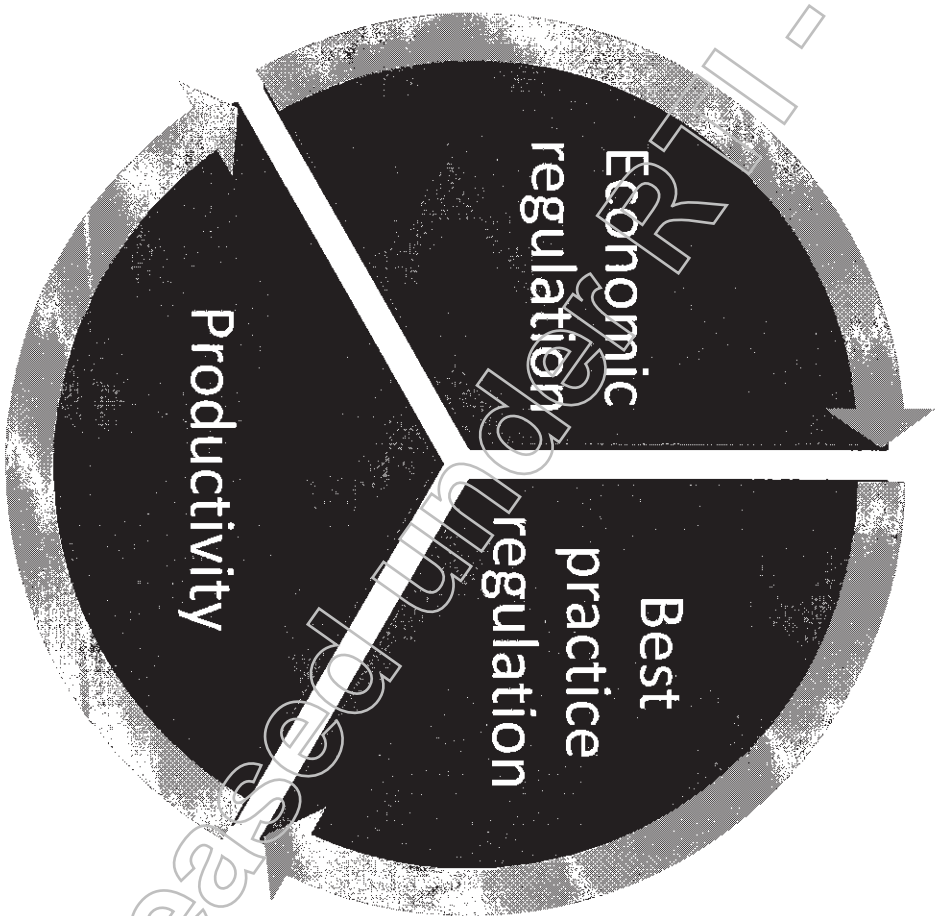
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Queensland Competition Authority

Brown bag lunch

Malcolm Roberts and John Hindmarsh

QCA ? QIPPA ?



Economic regulation

Electricity

- Regional prices
- PV tariffs regional Qld
- Consumer protection

Water

- SE Qld retail
- Bulk water

Rail

- Aurizon
- SUFA
- QR

Best practice regulation

Red tape target 7.9% reduction (30 June 2014)

1.6% increase in page count

20% target → compliance culture

QCA aim → culture change & capacity building

new streamlined guidelines – e.g. self assessment

Released under the Official Information Act

Productivity

Completed

- **Coal seam gas**
- **Disability and medical aids**
- **Aquaculture**

Underway

- **Industry assistance**

The next competition policy agenda enhancing competition in services

- esp. govt services

institutional changes

- new access & pricing regulator (!)
- replace NCC

legislation review (again)

revised competition principles

Released under FOIA

Promoting competitive markets

Market development:

contestability  barriers to entry, competitive neutrality

user choice  information & access

split policy/purchaser/provider/regulator roles

Usual suspects

retail trading hours

taxis

pharmacies

infrastructure monopolies

IP restrictions (e.g. parallel imports)

licensing

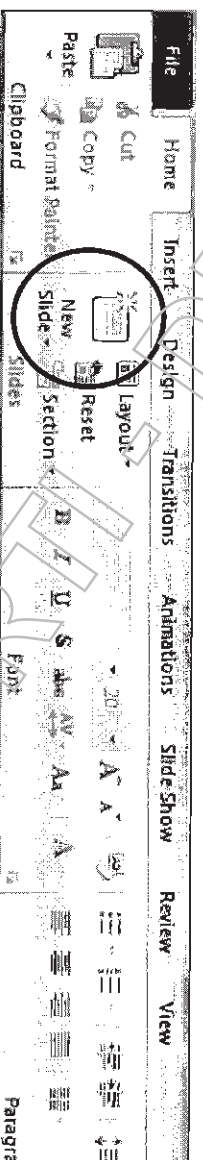
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Slides in this template

The following slides are instructions for use. Delete once you have read and begin compiling your presentation.

New slides

- Choose **New Slide** from the Home tab on the ribbon



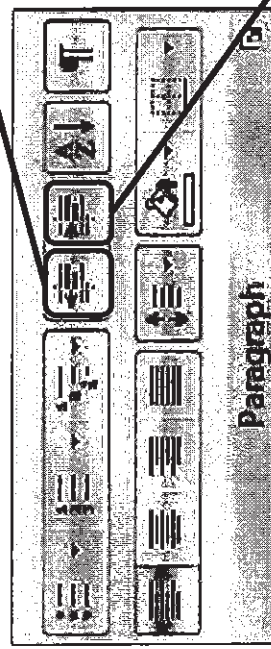
- Select the desired layout from the thumbnails in the dropdown or after the slide has been chosen by choosing the **Layout** button (next to **New Slide**)
- There are options for different text and content layouts.

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Title and content slide layout

Content text is entered here.

The layouts have 4 options for text set up in a list level system. To change the text to the next level, press Tab at the start of the line (or use the **Increase List Level** button if text is not a bullet).



Pressing **Shift+Tab** (or the **Decrease List Level** button) will take you back through the text list levels.

Text levels

There are four levels of text in the content slides, they are:

Level 1 (Heading 2)

Level 2 (Body Text)

- Level 3 (Bullets, first indent)
 - Level 4 (Bullets, second indent)

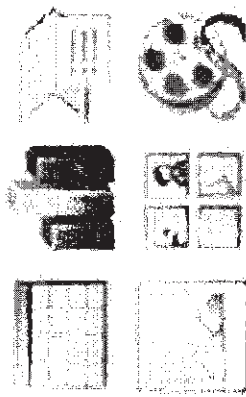
Level 5 (Footnotes)

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Content areas

In any of the slides, the text area can also contain other content.

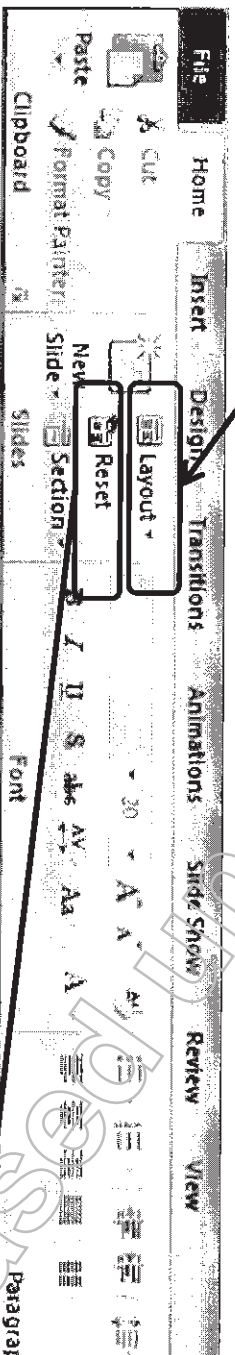
You will notice under the “Click to enter text” line are icons displaying options to insert graphs, pictures, Excel tables etc.



Formatting existing presentations

You can easily re-format slides from existing presentations:

- Select the slides in the existing presentation via the slide thumbnails panel to the left of the program
- Copy, then paste into the template presentation slide thumbnails panel
- Choose the **Layout** for each slide as appropriate
- Make sure to select the Slides once more and ~~choose~~ **Reset**. This will ensure all items within the slide are forced to adopt the new layout.

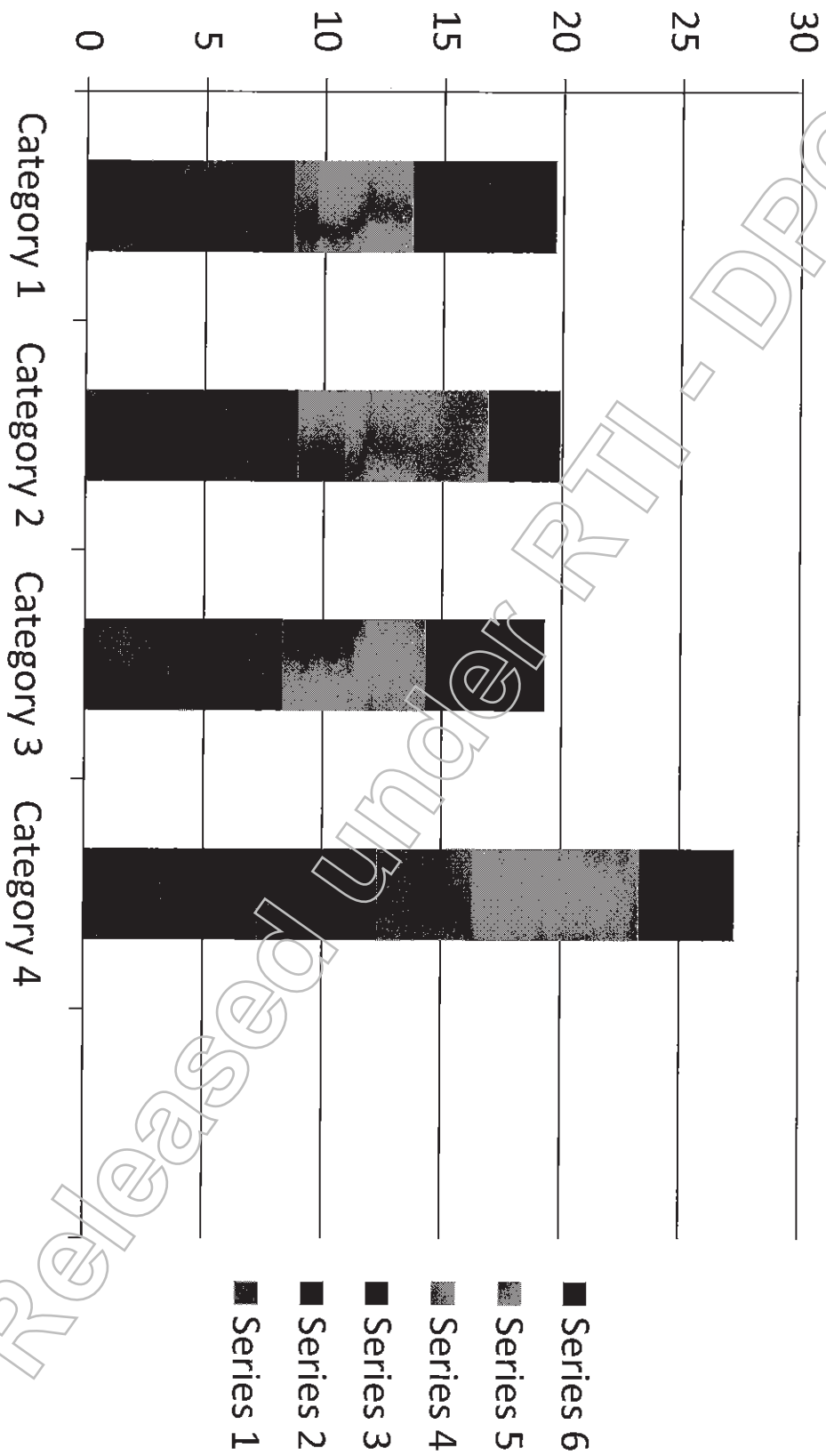


Inserting a footer

How to place content in the footer:

- Go to the **Insert** tab
- Select **Header & Footer**
- Ensure the footer and/or page numbers checkboxes are selected
- Type text in the footer section (if required)
- Click **Apply to All** (the title and section slides have been set up to not show numbers and footers).

Chart example



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Coloured promotional box

More coloured boxes
available under <New Slide>



Queensland
Competition
Authority

Coloured promotional box
More coloured boxes
available under <New Slides>



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SmartArt example – single colour



Queensland
Competition
Authority

SmartArt example – multi colour



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QCA colours

Main colours used in this template:

R 0
G 161
B 228

R 0
G 113
B 166

R 156
G 189
B 60

Additional colours available for use:

R 2
G 126
B 64

R 227
G 127
B 28

R 88
G 89
B 91

R 111
G 81
B 126

R 139
G 193
B 156

R 252
G 182
B 33

R 128
G 130
B 133

R 212
G 47
B 41

Questions?

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Brisbane Q 4001
Tel (07) 3222 0555
www.qca.org.au

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<u>Paul Fennelly</u>
<u>Anne Fuchs</u>
<u>Chris Mountford</u>
<u>Ian McEwan</u>
Jemina Dunn
<u>Penny Ellenger</u>
<u>Robert Row</u>
<u>Aaron Johnstone</u>
<u>John Grimes</u>
Warwick Temby
Ken Pickard
<u>Stephen Tait</u>
<u>Nick Behrens</u>
<u>Stacey Rawlings</u>
<u>Grant Calvin</u>
Mark Matthews
Patricia O'Callaghan
Graham Scott
<u>Mr Brett Gillan</u>
Geoff Dickie
Roger Black
<u>Daniel Gschwind</u>
<u>Kate Isles</u>
Tom McGuire
<u>Doug Flockhart</u>
<u>Wayne Patch</u>
<u>Peter Garske</u>
<u>Benjamin Wash</u>
<u>Peter Cumiskey</u>
Antonia Mercorella
<u>Shane Doyle QC</u>
<u>Michael Fitzgerald</u>
<u>Andrew Stone</u>
<u>Michael Cope</u>
<u>Professor Simon Kaplan</u>
<u>Mario Pennisi</u>
<u>Professor Frank Gannon</u>
<u>Jim Reeves</u>
<u>Professor Peter Høj</u>
<u>Professor Peter Coaldrake</u>
<u>Professor Scott Bowman</u>
<u>Professor Tim Brailsfold</u>
<u>Professor Sandra Harding</u>
<u>Professor Ian O'Connor</u>
<u>Professor Jan Thomas</u>
<u>Professor Peter Lee</u>
<u>Professor Greg Hill</u>
<u>Professor Greg Craven</u>

Margy Osmond
Peter Shelley
Charles Burke
Dan Galligan
Brendan Stewart
Alex Livingstone
Michael Murray
Adrian Peake
Greg Hoffman

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Position
Chief Executive
Chief Operating Officer
President
Queensland Executive Director
General Manager
Director
General Manager
Chief Executive Officer
State Director Queensland
Chief Executive
Executive Director
Managing Director
Chief Executive
General Manager - Advocacy
State Manager Queensland
Executive Director
Chief Executive
Chief Executive Officer
Chairman
President
Chairman, Research Working Group
Executive Director
Chief Executive
President
President
Chief Executive Officer
Chair
Chief Executive Officer
Chief Executive Officer
Chief Executive Officer
Chief Executive Officer
President
President
National President
President
Director, Skills & Industry Transformation
Chief Executive Officer
Director and CEO
General Manager
Vice-Chancellor and President
Vice Chancellor
Vice-Chancellor and President
Vice-Chancellor
Vice-Chancellor and President
Vice-Chancellor
Vice Chancellor and President
Vice Chancellor
Vice-Chancellor and President
Vice-Chancellor

Chief Executive Officer
Managing Director
Chief Executive Officer
Chief Executive Officer
Chief Executive Officer
Chief Executive Officer
Policy Manager Queensland and Water
Executive Officer
General Manager Advocacy

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Organisation
Queensland Resources Council
APPEA
Business with Labor
Property Council of Australia
Engineers Australia Queensland Division
Queensland Australian Industry Group
Institute of Chartered Accountants
Civil Contractors Federation Queensland Branch
Cement Concrete and Aggregates Australia (CCAA)
Australian Solar Council
Housing and Industry Association
Moore Stephens
Chamber of Commerce and Industry Queensland
Chamber of Commerce and Industry Queensland
Consult Australia
Master Builders Queensland
Advance Cairns
Townsville Enterprise
Capricorn Enterprise
Urban Development Institute of Australia Queensland
Queensland Exploration Council
Infrastructure Association of Queensland
Queensland Tourism Industry Council
Planning Institute of Australia
Queensland Hotels Association
Clubs Queensland
Bus Industry Confederation
Queensland Trucking Association
Taxi Council Queensland
QSport
REIQ
Bar Association of Queensland
Queensland Law Society
Australian Lawyers Alliance
Queensland Council for Civil Liberties
NICTA Queensland
Life Sciences Queensland
QIMR Berghofer Medical Research Institute
Institute for Future Environments QUT
University of Queensland
Queensland University of Technology
Central Queensland University
Bond University
James Cook University
Griffith University
University of Southern Queensland
Southern Cross University
University of the Sunshine Coast
Australian Catholic University

Tourism and Transport Forum
Australian Tourism Export Council (ATEC)
AgForce
Queensland Farmers' Federation
Canegrowers
Growcom
Cotton Australia
Queensland Dairyfarmers' Organisation
Local Government Association of Queensland

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s.73 Personal Information

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4726 2733

3229 1589

3295 9560

5465 7331

07 3221 6999

07 3252 0770

3434 2100

3249 7347

3238 5100

1300 367 757

02 9258 7700

3365 1300

3138 2365

4930 9752

5595 1050

4781 4165

5552 8178

4631 2100

02 6620 3703 (Gold Coast Campus number is 5589 3000)

5430 1101

02 9739 2930 (Brisbane campus number is 3623 7100)

02 9240 2000
02 8262 5500
3236 3100
3837 4747

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ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs
Service Fees
Registration
Insurance
Vehicle repairs & maintenance (will
Driver Pay
Fuel
Total

Revenue Required	1	2	3
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 4,308	\$ 4,415	\$ 4,526
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813
<i>Sub Total</i>	\$ 261,284	\$ 265,694	\$ 270,215
Required Income Per Shift	\$ 1,089	\$ 1,107	\$ 1,126
Required Income Per Trip	\$ 22.59	\$ 23.13	\$ 23.69
	\$ 8.51	\$ 8.50	\$ 8.48
	27%	27%	26%

Expected Income			
Low	\$ 261,284	\$ 267,816	\$ 274,512
High	\$ 339,670	\$ 348,161	\$ 356,865
Expected Income Per Shift			
Low	\$ 1,089	\$ 1,116	\$ 1,144
High	\$ 1,415	\$ 1,451	\$ 1,487
Expected Income Per Trip			
Low	\$ 31	\$ 32	\$ 33
High	\$ 40	\$ 41	\$ 42

Net Income			
Low	\$ -	\$ 2,122	\$ 4,297
High	\$ 78,385	\$ 82,467	\$ 86,650
Income per shift			
Low	\$ 1,089	\$ 1,116	\$ 1,144

High	\$ 1,415	\$ 1,451	\$ 1,487
Net Income per shift			
Low	\$ -	\$ 9	\$ 18
High	\$ 327	\$ 344	\$ 361
Net Income per week			
Low	\$ -	\$ 44	\$ 90
High	\$ 1,633	\$ 1,718	\$ 1,805
Net Income per Year			
Low	\$ -	\$ 2,299	\$ 4,655
High	\$ 84,917	\$ 89,339	\$ 93,871

CTPI - Deliberative Process



Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,663,620,000		
	\$ 1,330,896,000	-\$ 332,724,000	-\$ 332,724,000
	\$ 1,064,716,800	-\$ 266,179,200	-\$ 598,903,200
	\$ 851,773,440	-\$ 212,943,360	-\$ 811,846,560
	\$ 681,418,752	-\$ 170,354,688	-\$ 982,201,248
	\$ 545,135,002	-\$ 136,283,750	-\$ 1,118,484,998
	\$ 436,108,001	-\$ 109,027,000	-\$ 1,227,511,999
	\$ 348,886,401	-\$ 87,221,600	-\$ 1,314,733,599
	\$ 279,109,121	-\$ 69,777,280	-\$ 1,384,510,879
	\$ 223,287,297	-\$ 55,821,824	-\$ 1,440,332,703
	\$ 178,629,837	-\$ 44,657,459	-\$ 1,484,990,163
	\$ 142,903,870	-\$ 35,725,967	-\$ 1,520,716,130
	\$ 114,323,096	-\$ 28,580,774	-\$ 1,549,296,904

New Drivers Per Year	25%	35%
New Drivers Per Year	3,235	4,529
Course Cost	\$ 2,550	2,550

Total Cost of Courses Per Year

Discount rate	9.5%	9.5%
	\$ 86,840,921	\$ 121,577,289

Medical Test	
Travel time	15 20
Time (Mins)	10 15
Cost	\$ 93.50
Doc Cost of Time (per hour)	\$ 150
Driver Cost of Time (per hour)	\$ 50

32,353
539
67
13

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers
	\$ 139.33	\$ 160.17	Total Annual Cost
Total Cost Per Year	\$ 450,778	\$ 725,451	NPV

\$ 20.83 \$ 29.17

Bailment Agreement	Driver	Taxi Company
Time to fill in form (Hour)	1	1
Time to submit form (Hour)	2	2
Time to gain legal advice	3	
Cost of legal advice	\$ 500	
Cost of fill in form	\$ 50	\$ 50
Cost of submit form	\$ 100	\$ 100
Cost of time on legal	\$ 150	\$ -
Cost of DTMR managing form	\$ 200	
	\$ 1,000	\$ 150
Total Cost per year	\$ 3,235,250	\$ 679,403
PV	\$ 34,055,263	\$ 7,151,605

Driving History

Time to access	2	3
Time to report	1	1
Total Time	3	4
Cost	\$ 150	\$ 200
Total Cost	\$ 485,288	\$ 905,870
PV	\$ 5,108,289	\$ 9,535,474

Language Test

Fee	100
Time	4
Cost of time	\$ 200

Total cost per person	\$	300	
Total cost per year	\$	970,575	\$ 1,358,805
PV	\$	10,216,579	\$ 14,303,211

Application cost	
Fee	34.05
Cost	110,160
PV	1,159,582

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\$ 9,400
\$ 1,100
\$ 10,000
\$ 10,000
\$ 100,000
\$ 41,600
\$ 172,100

	Life	Asset Value	Annual Depreciation
Licence		\$ 510,000	
Car	15	\$ 50,000	\$ 3,333
Other Assets	6	\$ 5,845	\$ 974
Total		\$ 565,845	\$ 4,308

4	5	6
\$ 84,877	\$ 84,877	\$ 84,877
\$ 4,639	\$ 4,755	\$ 4,874
\$ 185,333	\$ 189,966	\$ 194,715
\$ 274,848	\$ 279,598	\$ 284,466
\$ 1,145	\$ 1,165	\$ 1,185
\$ 24.25	\$ 24.84	\$ 25.43
\$ 8.47	\$ 8.45	\$ 8.43
26%	25%	25%

\$ 281,375	\$ 288,409	\$ 295,619
\$ 365,787	\$ 374,932	\$ 384,305

\$ 1,172	\$ 1,202	\$ 1,232
\$ 1,524	\$ 1,562	\$ 1,601

\$ 33	\$ 34	\$ 35
\$ 44	\$ 45	\$ 46

\$ 6,526	\$ 8,811	\$ 11,154
\$ 90,939	\$ 95,334	\$ 99,839

\$ 1,172	\$ 1,202	\$ 1,232
----------	----------	----------

1993
 \$ 190,000 \$ 20.67
 2.7 \$ 9.55

\$ 100,000
 240
 8

\$ 1,524	\$ 1,562	\$ 1,601
----------	----------	----------

\$ 27	\$ 37	\$ 46
\$ 379	\$ 397	\$ 416

\$ 136	\$ 184	\$ 232
\$ 1,895	\$ 1,986	\$ 2,080

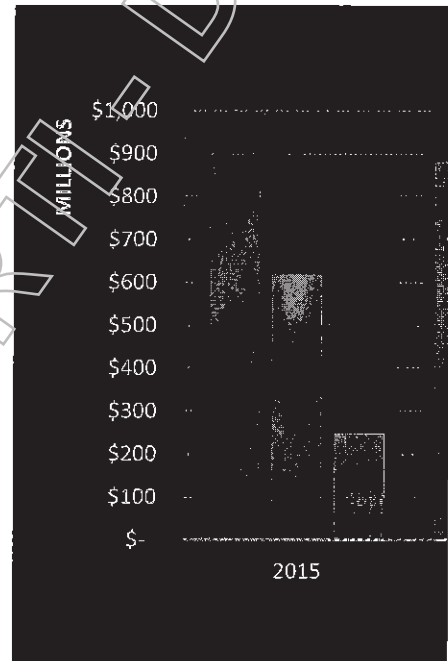
\$ 7,070	\$ 9,546	\$ 12,083
\$ 98,517	\$ 103,278	\$ 108,159

\$ 280,233	\$ 285,117	\$ 290,123
\$ 203,733	\$ 208,617	\$ 213,623

2018	2019	2020
\$ 914,119,348	\$ 930,050,633	\$ 946,380,200
\$ 664,576,348	\$ 680,507,633	\$ 696,837,200
\$ 249,543,000	\$ 249,543,000	\$ 249,543,000

\$ 280,233	\$ 285,117	\$ 290,123
\$ 203,733	\$ 208,617	\$ 213,623
\$ 76,500	\$ 76,500	\$ 76,500

\$ 510,000
\$ 408,000
\$ 326,400
\$ 261,120
\$ 208,896
\$ 167,117
\$ 133,693
\$ 106,955
\$ 85,564
\$ 68,451
\$ 54,761
\$ 43,809
\$ 35,047



51000
 \$ 76,000
 \$ 280,800,000
 3,695

67,940
 1,132
 142
 28

\$ 2.50 \$ 25.00 \$ 37.50
 \$ 0.83 \$ 20.83 \$ 29.17

Low	High
\$ 80,881	\$ 169,851
\$ 369,897	\$ 555,600
\$ 450,778	\$ 725,451
\$ 4,745,033	\$ 7,636,325

Item	Annual Cost		PV
Driver Training	\$ 8,249,888	\$ 11,549,843	\$ 86,840,921
Medical Test	\$ 450,778	\$ 725,451	\$ 4,745,033
Driver History	\$ 485,288	\$ 905,870	\$ 5,108,289
Language Test	\$ 970,575	\$ 1,358,805	\$ 10,216,579
Bailment Agreement	\$ 3,914,653	\$ 3,914,653	\$ 41,206,868
Application Fee	\$ 110,160	\$ 110,160	\$ 1,159,582
Total Cost	\$ 14,181,341	\$ 18,564,781	\$ 149,277,273

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Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$ 41,600

Assumptions	
Cars Life	15
WACC	15.0%
Inflation	2.5%
Resale Value	\$ 22,485
Number of Shifts Per Year	240
Number of Shifts	5
Number of Trips	35
Hours	8
Number of Trips	4.4
Weeks	48

B&W Cab
Expectation

\$182,000
\$234,000

2013
\$ 55.48
\$ 25.63
\$ 81.12 \$ 648.93
\$ 50,000,000
1920 \$ 52.08

Page 176 redacted for the following reason:

CTPI - Deliberative Process

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\$ 166,362,000 \$ 1,751,178,947
 \$ 247,912,000 \$ 2,609,600,000

	Item	Low Annual Cost (\$M)	High Annual Cost (\$M)	Low PV (\$M)	High PV (\$M)
\$ 121,577,289	Driver Training	\$ 8.2	\$ 11.5	\$ 86.8	\$ 121.6
\$ 7,636,325	Medical Test	\$ 0.5	\$ 0.7	\$ 4.7	\$ 7.6
\$ 9,535,474	Driver History	\$ 0.5	\$ 0.9	\$ 5.1	\$ 9.5
\$ 14,303,211	Language Test	\$ 1.0	\$ 1.4	\$ 10.2	\$ 14.3
\$ 41,206,868	Bailment Agreement	\$ 3.9	\$ 3.9	\$ 41.2	\$ 41.2
\$ 1,159,582	Application Fee	\$ 0.1	\$ 0.1	\$ 1.2	\$ 1.2
\$ 195,418,749	Total Cost	\$ 14.2	\$ 18.6	\$ 149.3	\$ 195.4

Released Under E.O. 13526 - DPC

<http://www>

Years

Released under RTI - DPC

Released under RTI - DPC

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

	Life
Licence	
Car	6
Other Assets	6
Total	

Revenue Required	1	2	3	4	5	6
Return on Capital	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
Sub Total	\$ 235,163	\$ 239,698	\$ 244,347	\$ 249,111	\$ 253,995	\$ 259,001
Required Income Per Shift	\$ 980	\$ 999	\$ 1,018	\$ 1,038	\$ 1,058	\$ 1,079
Required Income Per Trip						
	\$ 72.59	\$ 23.13	\$ 23.69	\$ 24.25	\$ 24.84	\$ 25.43

	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40
Expected Income		19%		19%		19%		18%		18%		18%		18%

Low	\$	235,163	\$	241,042	\$	247,068	\$	253,245	\$	259,576	\$	266,065
High	\$	305,712	\$	313,354	\$	321,188	\$	329,218	\$	337,448	\$	345,885

Expected Income Per Shift												
Low	\$	980	\$	1,004	\$	1,029	\$	1,055	\$	1,082	\$	1,109
High	\$	1,274	\$	1,306	\$	1,338	\$	1,372	\$	1,406	\$	1,441

Expected Income Per Trip												
Low	\$	28	\$	29	\$	29	\$	30	\$	31	\$	32
High	\$	36	\$	37	\$	38	\$	39	\$	40	\$	41

Net Income

Low	\$	-	\$	1,344	\$	2,721	\$	4,133	\$	5,580	\$	7,064
High	\$	70,549	\$	73,656	\$	76,842	\$	80,107	\$	83,453	\$	86,883

Income per shift

Low	\$	980	\$	1,004	\$	1,029	\$	1,055	\$	1,082	\$	1,109
High	\$	1,274	\$	1,306	\$	1,338	\$	1,372	\$	1,406	\$	1,441

Net Income per shift

Low	\$	-	\$	6	\$	11	\$	17	\$	23	\$	29
High	\$	294	\$	307	\$	320	\$	334	\$	348	\$	362

Net Income per week

Low	\$	-	\$	28	\$	57	\$	86	\$	116	\$	147
High	\$	1,470	\$	1,535	\$	1,601	\$	1,669	\$	1,739	\$	1,810

Net Income per Year

Low	\$	-	\$	1,456	\$	2,948	\$	4,478	\$	6,046	\$	7,653
High	\$	76,428	\$	79,794	\$	83,245	\$	86,782	\$	90,408	\$	94,124

Current	\$ 266,284	\$ 270,819	\$ 275,468	\$ 280,233	\$ 285,117	\$ 290,123
Deregulated	\$ 189,784	\$ 194,319	\$ 198,968	\$ 203,733	\$ 208,617	\$ 213,623

CTPI - Deliberative Process

Released under RTI - DPC

Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,663,620,000					\$ 510,000
	\$ 1,330,896,000	-\$ 332,724,000	-\$	332,724,000	-\$	408,000
	\$ 1,064,716,800	-\$ 266,179,200	-\$	598,903,200	-\$	326,400
	\$ 851,773,440	-\$ 212,943,360	-\$	811,846,560	-\$	261,120
	\$ 681,418,752	-\$ 170,354,688	-\$	982,201,248	-\$	208,896
	\$ 545,135,002	-\$ 136,283,750	-\$	1,118,484,998	-\$	167,117
	\$ 436,108,001	-\$ 109,027,000	-\$	1,227,511,999	-\$	133,693
	\$ 348,886,401	-\$ 87,221,600	-\$	1,314,733,599	-\$	106,955
	\$ 279,109,121	-\$ 69,777,280	-\$	1,384,510,879	-\$	85,564
	\$ 223,287,297	-\$ 55,821,824	-\$	1,440,332,703	-\$	68,451

\$ 178,629,837	-\$ 44,657,459	-\$ 1,484,990,163	\$ 54,761
\$ 142,903,870	-\$ 35,725,967	-\$ 1,520,716,130	\$ 43,809
\$ 114,323,096	-\$ 28,580,774	-\$ 1,549,296,904	\$ 35,047

New Drivers Per Year	25%	35%
New Drivers Per Year	3,235	4,529
Course Cost	\$ 2,550	2,550
Total Cost of Courses Per Year		

Discount rate	9.5%	9.5%
	\$ 86,840,921	\$ 121,577,289

Medical Test		
Travel time	15	20
Time (Mins)	10	15
Cost	\$ 93.50	
Doc Cost of Time (per hour)	\$ 150	
Driver Cost of Time (per hour)	\$ 50	

32,353 67,940
 539 1,132
 108 226
 \$ 2.50
 \$ 0.83

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor	\$ 80,881	\$ 169,851
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers	\$ 369,897	\$ 555,600
	\$ 139.33	\$ 160.17	Total Annual Cost	\$ 450,778	\$ 725,451
Total Cost Per Year	\$ 450,778	\$ 725,451	NPV	\$ 4,745,033	\$ 7,636,325

\$ 20.83 \$ 29.17

Released Under RTI

Bailment Agreement	Driver	Taxi Company
Time to fill in form (Hour)	1	1
Time to submit form (Hour)	2	2
Time to gain legal advice	3	
Cost of legal advice	\$ 500	
Cost of fill in form	\$ 50	\$ 50
Cost of submit form	\$ 100	\$ 100
Cost of time on legal	\$ 150	\$ -
Cost of DTMR managing form	\$ 200	
	\$ 1,000	\$ 150
Total Cost per year	\$ 3,235,250	\$ 679,403
PV	\$ 34,055,263	\$ 7,151,605
		\$ 3,914,653
		\$ 41,206,868

Driving History	
Time to access	2 3
Time to report	1 1
Total Time	3 4
Cost	\$ 150 \$ 200
Total Cost	\$ 485,288 \$ 905,870
PV	\$ 5,108,289 \$ 9,535,474

Item	Annual Cost
Driver Training	\$ 8,249,888
Medical Test	\$ 450,778
Driver History	\$ 485,288
Language Test	\$ 970,575
Bailment Agreement	\$ 3,914,653
Application Fee	\$ 110,160
Total Cost	\$ 14,181,341

Language Test

Fee		100
Time		4
Cost of time	\$	200
Total cost per person	\$	300
Total cost per year	\$	970,575
PV	\$	10,216,579
	\$	14,303,211

Application cost	
Fee	34,05
Cost	110,160
PV	1,159,582

Depreciation	Annual Depreciation	Increase in Annual Depreciation	Increase in Annual Depreciation for All Taxis in Queensland	PV for All Taxis in Queensland	\$	50,000
Six years	\$ 8,333					6
Eight years	\$ 6,250	\$ 2,083	\$ 6,795,833	\$ 71,535,088		8
Ten years	\$ 5,000	\$ 3,333	\$ 10,873,333	\$ 114,456,140		10
Twelve years	\$ 4,167	\$ 4,167	\$ 13,591,667	\$ 143,070,175		12

Released under RTI

Asset Value	Annual Depreciation
\$ 510,000	
\$ 50,000	\$ 8,333
\$ 5,845	\$ 974
\$ 565,845	\$ 9,308

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$41,600

Assumptions	
Cars Life	6
WACC	9.5%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cab Expectation	
	\$182,000
	\$234,000

Released under RTI - DPC

	1993	2013
\$ 190,000	\$ 20.67	\$ 55.48
\$ 2.7	\$ 9.55	\$ 25.63
\$ 100,000	\$ 81.12	\$ 1,158.81
\$ 240	\$ 50,000,000	
\$ 8		
	1920	\$ 52.08

Page 188 redacted for the following reason:

CTPI - Deliberative Process

Released under RTI - DPC

\$	25.00	\$	37.50
\$	20.83	\$	29.17

Released under RTI - DPC

PV	
\$ 85,840,921	
\$ 4,745,033	
\$ 5,108,289	
\$ 10,216,579	
\$ 41,206,868	
\$ 1,159,582	
\$ 149,277,273	

Item	Annual Cost (\$M)	PV (\$M)
Driver Training	\$ 8.2	\$ 86.8
Medical Test	\$ 0.5	\$ 4.7
Driver History	\$ 0.5	\$ 5.1
Language Test	\$ 1.0	\$ 10.2
Bailment Agreement	\$ 3.9	\$ 41.2
Application Fee	\$ 0.1	\$ 1.2
Total Cost	\$ 14.2	\$ 149.3

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Annual Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

Licence
Car
Other Assets
Total

	Low	High
WACC	10%	15%

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
Per Lic Total	\$ 266,284	\$ 270,819	\$ 275,468	\$ 280,233	\$ 285,117	\$ 290,123
Required Income Per Shift	\$ 1,110	\$ 1,128	\$ 1,148	\$ 1,168	\$ 1,188	\$ 1,209
Required Income Per Trip	\$ 22,59	\$ 23,13	\$ 23,69	\$ 24,25	\$ 24,84	\$ 25,43
Expected Income	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11
	29%	28%	28%	27%	27%	26%

Low	\$	266,284	\$	272,941	\$	279,765	\$	286,759	\$	293,928	\$	301,276
High	\$	346,170	\$	354,824	\$	363,694	\$	372,787	\$	382,106	\$	391,659
Expected Income Per Shift												
Low	\$	1,110	\$	1,137	\$	1,166	\$	1,195	\$	1,225	\$	1,255
High	\$	1,442	\$	1,478	\$	1,515	\$	1,553	\$	1,592	\$	1,632
Expected Income Per Trip												
Low	\$	32	\$	32	\$	33	\$	34	\$	35	\$	36
High	\$	41	\$	42	\$	43	\$	44	\$	45	\$	47

Net Income

Low	\$	-	\$	2,122	\$	4,297	\$	6,526	\$	8,811	\$	11,154
High	\$	79,885	\$	84,004	\$	88,226	\$	92,554	\$	96,990	\$	101,536

Income per shift

Low	\$	1,110	\$	1,137	\$	1,166	\$	1,195	\$	1,225	\$	1,255
High	\$	1,442	\$	1,478	\$	1,515	\$	1,553	\$	1,592	\$	1,632

Net Income per shift

Low	\$	-	\$	9	\$	18	\$	27	\$	37	\$	46
High	\$	333	\$	350	\$	368	\$	386	\$	404	\$	423

Net Income per week

Low	\$	-	\$	44	\$	90	\$	136	\$	184	\$	232
High	\$	1,664	\$	1,750	\$	1,838	\$	1,928	\$	2,021	\$	2,115

Net Income per Year

Low	\$	-	\$	2,299	\$	4,655	\$	7,070	\$	9,546	\$	12,083
High	\$	86,542	\$	91,005	\$	95,579	\$	100,267	\$	105,072	\$	109,998

Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,663,620,000			\$ 510,000
	\$ 1,330,896,000	-\$ 332,724,000	332,724,000	\$ 408,000
	\$ 1,064,716,800	-\$ 266,179,200	598,903,200	\$ 326,400
	\$ 851,773,440	-\$ 212,943,360	811,846,560	\$ 261,120
	\$ 681,418,752	-\$ 170,354,688	982,201,248	\$ 208,896
	\$ 545,135,002	-\$ 136,283,750	1,118,484,998	\$ 167,117
	\$ 436,108,001	-\$ 109,027,000	1,227,511,999	\$ 133,693
	\$ 348,886,401	-\$ 87,221,600	1,314,733,599	\$ 106,955
	\$ 279,109,121	-\$ 69,777,280	1,384,510,879	\$ 85,564
	\$ 223,287,297	-\$ 55,821,824	1,440,332,703	\$ 68,451
	\$ 178,629,837	-\$ 44,657,459	1,484,990,163	\$ 54,761
	\$ 142,903,870	-\$ 35,725,967	1,520,716,130	\$ 43,809
	\$ 114,323,096	-\$ 28,580,774	1,549,296,904	\$ 35,047

New Drivers Per Year	25%	35%
New Drivers Per Year	3,235	4,529
Course Cost	\$ 2,550	2,550
Total Cost of Courses Per Year		

Discount rate	9.5%	9.5%
	\$ 86,840,921	\$ 121,577,289

Medical Test	
Travel time	15
Time (Mins)	10
Cost	\$ 93.50
Doc Cost of Time (per hour)	\$ 150
Driver Cost of Time (per hour)	\$ 50

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor	\$ 80,881	\$ 169,851
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers	\$ 369,897	\$ 555,600
	\$ 139.33	\$ 160.17	Total Annual Cost	\$ 450,778	\$ 725,451
Total Cost Per Year	\$ 450,778	\$ 725,451	NPV	\$ 4,745,033	\$ 7,636,325

\$ 20.83 \$ 29.17

Bailment Agreement		Driver	Taxi Company
Time to fill in form (Hour)	1		1
Time to submit form (Hour)	2		2
Time to gain legal advice	3		
Cost of legal advice	\$ 500		
Cost of fill in form	\$ 50	\$ 50	
Cost of submit form	\$ 100	\$ 100	
Cost of time on legal	\$ 150	\$ -	
Cost of DTMR managing form	\$ 200		
	\$ 1,000	\$ 150	
Total Cost per year	\$ 3,235,250	\$ 679,403	\$ 3,914,653

Item	
Driver Training	
Medical Test	
Driver History	
Language Test	
Bailment Agreement	
Application Fee	
Total Cost	

\$M	
Driver	
Authorisation	

PV	\$	34,055,263	\$	7,151,605	\$	41,206,868
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Depreciation
Supply
Constraint
Total

Driving History			
Time to access	2	3	
Time to report	1	1	
Total Time	3	4	
Cost	\$ 150	\$ 200	
Total Cost	\$ 485,288	\$ 905,870	
PV	\$ 5,108,289	\$ 9,535,474	

Language Test			
Fee		100	
Time		4	
Cost of time	\$	200	
Total cost per person	\$	300	
Total cost per year	\$	970,575	\$ 1,358,805
PV	\$	10,216,579	\$ 14,303,211

Application cost	
Fee	34.05
Cost	110,160
PV	1,159,582

Life	Asset Value	Annual Depreciation
	\$ 510,000	
6	\$ 50,000	\$ 8,333
6	\$ 5,845	\$ 974
	\$ 565,845	\$ 9,308

Roc Per Lic	Roc All Lic
\$ 51,000	\$ 166,362,000
\$ 76,500	\$ 249,543,000

\$ 76,500

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$41,600

\$ 1,751,178,947
\$ 2,626,768,421

Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48
Number of Lic	3,262
Number of drivers	12,941

B&W Cab
Expectatio
n

\$182,000
\$234,000

1993

2013

\$	190,000	\$	20.67	\$	55.48
	2.7	\$	9.55	\$	25.63
		\$		\$	81.12
					648.93
		\$		\$	50,000,000
		\$	100,000		
			240		
			8	1920	\$
					52.08

Released under RTI - DPC



CTPI - Deliberative Process

Page 198 redacted for the following reason:

CTPI - Deliberative Process

Released under RTI - DPC

\$ 2.50 \$ 25.00 \$ 37.50
 \$ 0.83 \$ 20.83 \$ 29.17

Annual Cost	PV
\$ 8,249,888	\$ 86,840,921
\$ 450,778	\$ 4,745,033
\$ 485,288	\$ 5,108,289
\$ 970,575	\$ 10,216,579
\$ 3,914,653	\$ 41,206,868
\$ 110,160	\$ 1,159,582
\$ 14,181,341	\$ 149,277,273

Annual	PV
\$ 14.18	\$ 149.28

Item	Annual Cost (\$M)	PV (\$M)
Driver Training	\$ 8.2	\$ 86.8
Medical Test	\$ 0.5	\$ 4.7
Driver History	\$ 0.5	\$ 5.1
Language Test	\$ 1.0	\$ 10.2
Bailment Agreement	\$ 3.9	\$ 41.2
Application Fee	\$ 0.1	\$ 1.2
Total Cost	\$ 14.2	\$ 149.3

Released under FOIA - DPC

\$	13.59	\$	135.70
\$	249.54	\$	2,626.77
\$	277.32	\$	2,911.75

Released under RTI - DPC

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals - supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

Licence
Car
Other Assets
Total

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Sub Total</i>	\$ 266,284	\$ 270,819	\$ 275,468	\$ 280,233	\$ 285,117	\$ 290,123
Required Income Per Shift	\$ 1,110	\$ 1,128	\$ 1,148	\$ 1,168	\$ 1,188	\$ 1,209
Required Income Per Trip	\$ 22,599	\$ 23,133	\$ 23,691	\$ 24,254	\$ 24,824	\$ 25,413
	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11
	29%	28%	28%	27%	27%	26%
Expected Income						
Low	\$ 266,284	\$ 272,941	\$ 279,765	\$ 286,759	\$ 293,928	\$ 301,276
High	\$ 346,170	\$ 354,824	\$ 363,694	\$ 372,787	\$ 382,106	\$ 391,659
Expected Income Per Shift						

Low	\$	1,110	\$	1,137	\$	1,166	\$	1,195	\$	1,225	\$	1,255
High	\$	1,442	\$	1,478	\$	1,515	\$	1,553	\$	1,592	\$	1,632
Expected Income Per Trip												
Low	\$	32	\$	32	\$	33	\$	34	\$	35	\$	36
High	\$	41	\$	42	\$	43	\$	44	\$	45	\$	47

Net Income

Low	\$	-	\$	2,122	\$	4,297	\$	6,526	\$	8,811	\$	11,154
High	\$	79,885	\$	84,004	\$	88,226	\$	92,554	\$	96,990	\$	101,536

Income per shift

Low	\$	1,110	\$	1,137	\$	1,166	\$	1,195	\$	1,225	\$	1,255
High	\$	1,442	\$	1,478	\$	1,515	\$	1,553	\$	1,592	\$	1,632

Net Income per shift

Low	\$	-	\$	9	\$	18	\$	27	\$	37	\$	46
High	\$	333	\$	350	\$	368	\$	386	\$	404	\$	423

Net Income per week

Low	\$	-	\$	44	\$	90	\$	136	\$	184	\$	232
High	\$	1,664	\$	1,750	\$	1,838	\$	1,928	\$	2,021	\$	2,115

Net Income per Year

Low	\$	-	\$	2,299	\$	4,655	\$	7,070	\$	9,546	\$	12,083
High	\$	86,542	\$	91,005	\$	95,579	\$	100,267	\$	105,072	\$	109,998

Released Under RTIA

Life	Asset Value	Annual Depreciation
	\$ 510,000	
6	\$ 50,000	\$ 8,333
6	\$ 5,845	\$ 974
	\$ 565,845	\$ 9,308

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$ 41,600

Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cab Expectation	\$182,000
	\$234,000

	1993	2013
\$	190,000	\$ 55.48
	2.7	\$ 25.63
		\$ 81.12
		\$ 648.93

ESTABLISHMENT COSTS	
Licence Purchase	
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 55,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

Licence
Car
Other Assets
Total

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Sub Total</i>	\$ 189,784	\$ 194,319	\$ 198,968	\$ 203,733	\$ 208,617	\$ 213,623
Required Income Per Shift	\$ 791	\$ 810	\$ 829	\$ 849	\$ 869	\$ 890
Required Income Per Trip						

Expected Income						
Low	\$ 189,784	\$ 194,529	\$ 199,392	\$ 204,377	\$ 209,486	\$ 214,723
High	\$ 246,720	\$ 252,888	\$ 259,210	\$ 265,690	\$ 272,332	\$ 279,140
Expected Income Per Shift						
Low	\$ 791	\$ 811	\$ 831	\$ 852	\$ 873	\$ 895
High	\$ 1,028	\$ 1,054	\$ 1,080	\$ 1,107	\$ 1,135	\$ 1,163
Expected Income Per Trip						

Low	\$	23	\$	23	\$	24	\$	24	\$	25	\$	26
High	\$	29	\$	30	\$	31	\$	32	\$	32	\$	33

Net Income

Low	\$	-	\$	209	\$	424	\$	644	\$	870	\$	1,101
High	\$	56,935	\$	58,568	\$	60,242	\$	61,957	\$	63,716	\$	65,518

Income per shift

Low	\$	791	\$	811	\$	831	\$	852	\$	873	\$	895
High	\$	1,028	\$	1,054	\$	1,080	\$	1,107	\$	1,135	\$	1,163

Net Income per shift

Low	\$	-	\$	1	\$	2	\$	3	\$	4	\$	5
High	\$	237	\$	244	\$	251	\$	258	\$	265	\$	273

Net Income per week

Low	\$	-	\$	4	\$	9	\$	13	\$	18	\$	23
High	\$	1,186	\$	1,220	\$	1,255	\$	1,291	\$	1,327	\$	1,365

Net Income per Year

Low	\$	-	\$	227	\$	459	\$	698	\$	942	\$	1,193
High	\$	61,680	\$	63,449	\$	65,262	\$	67,120	\$	69,025	\$	70,978

Released under
FOIA b7D

Life	Asset Value	Annual Depreciation
	\$ -	
6	\$ 50,000	\$ 8,333
6	\$ 5,845	\$ 974
	\$ 55,845	\$ 9,308

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$ 41,600

Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Number of Trips per year	8,400

13.71

	1993	2013
\$	\$ 190,000	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
\$	\$ 50,000,000	\$ -

Darwin Taxi Rates
Northern Territory

Peak Rates (06:00 - 17:59)	Distance Rate	Booking Fee
Flag Fall	\$4.20	\$1.49 Free
Off Peak Rates (18:00 - 05:59 + Saturday & Sunday)	Distance Rate	Booking Fee
Flag Fall	\$5.00	\$1.83 Free

Brisbane Taxi Rates
Queensland

Peak Rates (07:00 - 19:00)	Distance Rate	Booking Fee
Flag Fall	\$2.90	\$2.14
Off Peak Rates (19:01 - 06:59 + Saturday & Sunday)	Distance Rate	Booking Fee
Flag Fall	\$6.30	\$1.50

Distance	10 km
Darwin Fare	Off Peak \$ 19.79
Brisbane Fare	\$ 24.30
	-\$ 5.22
	-27%
	3.51
	-18%

Released under RTI - DPC

Waiting Time
\$53.73/hour
Waiting Time
\$53.73/hour

Waiting Time
\$47.40/hour
Waiting Time
\$47.40/hour

		New
Licence Purchase	\$ 510,000	
Number of taxi licences	3,262	5,000
Total Value	\$ 1,663,620,000	



Released under RTI - DPC

	Number of Licences	Est Value	Est Value
Brisbane	1,867	\$ 510,000	\$ 952,170,000
Ipswich	68	\$ 450,000	\$ 30,600,000

	9.0%	9.5%	10.0%
\$	85,695,300	\$ 90,456,150	\$ 95,217,000
\$	2,754,000	\$ 2,907,000	\$ 3,060,000

Redcliffe	37	\$	350,000	\$	12,950,000	\$	1,165,500	\$	1,230,250	\$	1,295,000
Gold Coast	357	\$	500,000	\$	178,500,000	\$	16,065,000	\$	16,957,500	\$	17,850,000
Provincial Cities	765	\$	300,000	\$	229,500,000	\$	20,655,000	\$	21,802,500	\$	22,950,000
Total	3,094				\$ 1,403,720,000	\$	25,266,960	\$	26,670,680	\$	28,074,400

CTPI - Deliberative Process

\$M	Annual	PV
Driver		
Authorisation	\$ 14.18	\$ 149.28
Depreciation	\$ 13.59	\$ 135.70
Supply Constraint	\$ 249.54	\$ 2,626.77
Total	\$ 277.32	\$ 2,911.75

	Est Value	WACC 10%	WACC 15%
Brisbane	\$ 523,000	\$ 52,300	\$ 78,450
Sunshine Coast	\$ 435,600	\$ 43,560	\$ 65,340
Gladstone	\$ 246,900	\$ 24,690	\$ 37,035
Gold Coast	\$ 581,936	\$ 58,194	\$ 87,290
Total	\$ 1,150,000,000	\$ 115,000,000	\$ 172,500,000
Brad's Total	\$ 1,663,620,000		\$ 249,543,000

10%

15%

Released under RTI - DPC

\$ 1,359,750	\$ 1,424,500	\$ 1,489,250	\$ 1,554,000	\$ 1,618,750	\$ 1,683,500	\$ 1,748,250	\$ 1,813,000	\$ 1,877,750	\$ 1,942,500
\$ 18,742,500	\$ 19,635,000	\$ 20,527,500	\$ 21,420,000	\$ 22,312,500	\$ 23,205,000	\$ 24,097,500	\$ 24,990,000	\$ 25,882,500	\$ 26,775,000
\$ 24,097,500	\$ 25,245,000	\$ 26,392,500	\$ 27,540,000	\$ 28,687,500	\$ 29,835,000	\$ 30,982,500	\$ 32,130,000	\$ 33,277,500	\$ 34,425,000
\$ 29,478,120	\$ 30,881,840	\$ 32,285,560	\$ 33,689,280	\$ 35,093,000	\$ 36,496,720	\$ 37,900,440	\$ 39,304,160	\$ 40,707,880	\$ 42,111,600

Released under RTI - DPC

Released under RTI - DPC

\$90,738 \$99,812

	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%	14.0%
	\$45,900	\$48,450	\$51,000	\$53,550	\$56,100	\$58,650	\$61,200	\$63,750	\$66,300	\$68,850	\$71,400
	\$40,500	\$42,750	\$45,000	\$47,250	\$49,500	\$51,750	\$54,000	\$56,250	\$58,500	\$60,750	\$63,000

Released under RTI - DPC

\$31,500	\$33,250	\$35,000	\$36,750	\$38,500	\$40,250	\$42,000	\$43,750	\$45,500	\$47,250	\$49,000
\$45,000	\$47,500	\$50,000	\$52,500	\$55,000	\$57,500	\$60,000	\$62,500	\$65,000	\$67,500	\$70,000
\$27,000	\$28,500	\$30,000	\$31,500	\$33,000	\$34,500	\$36,000	\$37,500	\$39,000	\$40,500	\$42,000
\$37,980	\$40,090	\$42,200	\$44,310	\$46,420	\$48,530	\$50,640	\$52,750	\$54,860	\$56,970	\$59,080

Released under RTI - DPC

14.5%	15.0%
\$73,950	\$76,500
\$65,250	\$67,500

\$50,750	\$52,500
\$72,500	\$75,000
\$43,500	\$45,000
\$61,190	\$63,300

Released under RTI - DPC

Average Price	\$ 510,000		
Number of Licences	3,262	\$ 4,347	\$ 34,337
Number of Licence Owners	2,191	\$ 6,473	\$ 23,063

<i>Contracted Area</i>	<i>Conventional</i>	<i>Wheelchair</i>
Brisbane	\$523,000	\$356,000
Bundaberg	\$293,200	\$163,940
Cairns	\$500,940	\$363,216
Gladstone	\$246,900	\$66,420
Gold Coast	\$581,936	\$418,415
Gympie	\$229,092	\$100,294
Hervey Bay	\$336,160	\$327,560
Innisfail	\$138,380	\$28,250
Ipswich	\$347,000	\$140,160
Mackay	\$396,400	\$287,802
Maryborough	\$158,696	\$101,120
Mt Isa	\$217,936	\$22,500
Redcliffe	\$419,700	\$277,000
Rockhampton	\$284,000	\$148,600
Sunshine Coast	\$435,600	\$341,200
Toowoomba	\$354,000	\$298,000
Townsville	\$467,200	\$301,300
Yeppoon	\$182,150	\$138,157

Released Under RTI - DPC

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

Licence
Car
Other Assets
Total

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 4,308	\$ 4,415	\$ 4,526	\$ 4,639	\$ 4,755	\$ 4,874
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Sub Total</i>	\$ 261,284	\$ 265,694	\$ 270,215	\$ 274,848	\$ 279,598	\$ 284,466
Required Income Per Shift	\$ 1,089	\$ 1,107	\$ 1,126	\$ 1,145	\$ 1,165	\$ 1,185
Required Income Per Trip	\$ 27,59	\$ 28,13	\$ 28,69	\$ 29,25	\$ 29,84	\$ 30,43
	\$ 8.51	\$ 8.50	\$ 8.48	\$ 8.47	\$ 8.45	\$ 8.43
Expected Income	27%	27%	26%	26%	25%	25%

Low	\$	261,284	\$	267,816	\$	274,512	\$	281,375	\$	288,409	\$	295,619
High	\$	339,670	\$	348,161	\$	356,865	\$	365,787	\$	374,932	\$	384,305
Expected Income Per Shift												
Low	\$	1,089	\$	1,116	\$	1,144	\$	1,172	\$	1,202	\$	1,232
High	\$	1,415	\$	1,451	\$	1,487	\$	1,524	\$	1,562	\$	1,601
Expected Income Per Trip												
Low	\$	31	\$	32	\$	33	\$	33	\$	34	\$	35
High	\$	40	\$	41	\$	42	\$	44	\$	45	\$	46

Net Income

Low	\$	-	\$	2,122	\$	4,297	\$	6,526	\$	8,811	\$	11,154
High	\$	78,385	\$	82,467	\$	86,650	\$	90,939	\$	95,334	\$	99,839

Income per shift

Low	\$	1,089	\$	1,116	\$	1,144	\$	1,172	\$	1,202	\$	1,232
High	\$	1,415	\$	1,451	\$	1,487	\$	1,524	\$	1,562	\$	1,601

Net Income per shift

Low	\$	-	\$	9	\$	18	\$	27	\$	37	\$	46
High	\$	327	\$	344	\$	361	\$	379	\$	397	\$	416

Net Income per week

Low	\$	-	\$	44	\$	90	\$	136	\$	184	\$	232
High	\$	1,633	\$	1,718	\$	1,805	\$	1,895	\$	1,986	\$	2,080

Net Income per Year

Low	\$	-	\$	2,299	\$	4,655	\$	7,070	\$	9,546	\$	12,083
High	\$	84,917	\$	89,339	\$	93,871	\$	98,517	\$	103,278	\$	108,159

Released Pursuant to FOIA

Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,872,210,000					\$ 510,000
	\$ 1,497,768,000	-\$ 374,442,000	-\$	374,442,000		\$ 408,000
	\$ 1,198,214,400	-\$ 299,553,600	-\$	673,995,600		\$ 326,400
	\$ 958,571,520	-\$ 239,642,880	-\$	913,638,480		\$ 261,120
	\$ 766,857,216	-\$ 191,714,304	-\$	1,105,352,784		\$ 208,896
	\$ 613,485,773	-\$ 153,371,443	-\$	1,258,724,227		\$ 167,117
	\$ 490,788,618	-\$ 122,697,155	-\$	1,381,421,382		\$ 133,693
	\$ 392,630,895	-\$ 98,157,724	-\$	1,479,579,105		\$ 106,955
	\$ 314,104,716	-\$ 78,526,179	-\$	1,558,105,284		\$ 85,564
	\$ 251,283,773	-\$ 62,820,943	-\$	1,620,926,227		\$ 68,451
	\$ 201,027,018	-\$ 50,256,755	-\$	1,671,182,982		\$ 54,761
	\$ 160,821,614	-\$ 40,205,404	-\$	1,711,388,386		\$ 43,809
	\$ 128,657,292	-\$ 32,164,323	-\$	1,743,552,708		\$ 35,047

New Drivers Per Year	25%	35%
New Drivers Per Year	3,235	4,529
Course Cost	\$ 2,550	2,550
Total Cost of Courses Per Year		

Discount rate	9.5%	9.5%
	\$ 86,840,921	\$ 121,577,289

Medical Test	
Travel time	15
Time (Mins)	10
Cost	\$ 93.50
Doc Cost of Time (per hour)	\$ 150
Driver Cost of Time (per hour)	\$ 50

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor		Low	High
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers		\$ 80,881	\$ 169,851
	\$ 139.33	\$ 160.17	Total Annual Cost		\$ 369,897	\$ 555,600
Total Cost Per Year	\$ 450,778	\$ 725,451	NPV		\$ 4,745,033	\$ 7,636,325

\$ 20.83 \$ 29.17

Bailment Agreement	
Time to fill in form (Hour)	1
Time to submit form (Hour)	2
Time to gain legal advice	3
Cost of legal advice	\$ 500
Cost of fill in form	\$ 50
Cost of submit form	\$ 100
Cost of time on legal	\$ 150

	32,353	67,940
	539	1,132
	67	142
	13	28

Item	
Driver Training	
Medical Test	
Driver History	
Language Test	
Bailment Agreement	
Application Fee	
Total Cost	

Released Pursuant to

Cost of DTMR managing form	\$	200		
	\$	1,000	\$	150
Total Cost per year	\$	3,235,250	\$	679,403
PV	\$	34,055,263	\$	7,151,605
			\$	3,914,653
			\$	41,206,868

Driving History

Time to access		2		3
Time to report		1		1
Total Time		3		4
Cost	\$	150	\$	200
Total Cost	\$	485,288	\$	905,870
PV	\$	5,108,289	\$	9,535,474

Language Test

Fee		100		
Time		4		
Cost of time	\$	200		
Total cost per person	\$	300		
Total cost per year	\$	970,575	\$	1,358,805
PV	\$	10,216,579	\$	14,303,211

Application cost

Fee		34.05		
Cost		110,160		
PV		1,159,582		

Life	Asset Value	Annual Depreciation
	\$ 510,000	
15	\$ 50,000	\$ 3,333
6	\$ 5,845	\$ 974
	\$ 565,845	\$ 4,308

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$ 41,600

Assumptions	
Cars Life	15
WACC	15.0%
Inflation	2.5%
Resale Value	\$ 22,485
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cab Expectatio	\$182,000
n	\$234,000

1993

2013

\$ 190,000 \$ 20.67 \$ 55.48
2.7 \$ 9.55 \$ 25.63
\$ 81.12 \$ 648.93
\$ 50,000,000
\$ 100,000
240
8 1920 \$ 52.08

CTPI - Deliberative Process

Released under RTI - DPC

Page 225 redacted for the following reason:

Released under RTI - DPC

\$ 2.50 \$ 25.00 \$ 37.50
 \$ 0.83 \$ 20.83 \$ 29.17

Annual Cost		PV	Item	Annual Cost (\$M)	Annual Cost (\$M)	PV (\$M)
\$ 8,249,888	\$ 11,549,843	\$ 86,840,921	Driver	\$ 8.2	\$ 11.5	\$ 86.8
\$ 450,778	\$ 725,451	\$ 4,745,033	Training	\$ 0.5	\$ 0.7	\$ 4.7
\$ 485,288	\$ 905,870	\$ 5,108,289	Medical Test	\$ 0.5	\$ 0.9	\$ 5.1
\$ 970,575	\$ 1,358,805	\$ 10,216,579	Driver History	\$ 1.0	\$ 1.4	\$ 10.2
\$ 3,914,653	\$ 3,914,653	\$ 41,206,868	Language Test	\$ 3.9	\$ 3.9	\$ 41.2
\$ 110,160	\$ 110,160	\$ 1,159,582	Bailment	\$ 0.1	\$ 0.1	\$ 1.2
\$ 14,181,341	\$ 18,564,781	\$ 149,277,273	Agreement	\$ 14.2	\$ 18.6	\$ 149.3
			Application			
			Fee			
			Total Cost	\$ 14.2	\$ 18.6	\$ 149.3

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

	Life	Asset Value
Licence		\$ 510,000
Car	6	\$ 50,000
Other Assets	6	\$ 5,845
Total		\$ 565,845

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
Sub Total	\$ 235,163	\$ 239,698	\$ 244,347	\$ 249,111	\$ 253,995	\$ 259,001
Required Income Per Shift	\$ 980	\$ 999	\$ 1,018	\$ 1,038	\$ 1,058	\$ 1,079
Required Income Per Trip	\$ 22.59	\$ 23.13	\$ 23.69	\$ 24.25	\$ 24.84	\$ 25.43

	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40
		19%		19%		19%		18%		18%		18%		18%
Expected Income														
Low	\$	235,163	\$	241,042	\$	247,068	\$	253,245	\$	259,576	\$	266,065		
High	\$	305,712	\$	313,354	\$	321,188	\$	329,218	\$	337,448	\$	345,885		
Expected Income Per Shift														
Low	\$	980	\$	1,004	\$	1,029	\$	1,055	\$	1,082	\$	1,109		
High	\$	1,274	\$	1,306	\$	1,338	\$	1,372	\$	1,406	\$	1,441		
Expected Income Per Trip														
Low	\$	28	\$	29	\$	29	\$	30	\$	31	\$	32		
High	\$	36	\$	37	\$	38	\$	39	\$	40	\$	41		

\$ 190,000
2.7

Net Income														
Low	\$	-	\$	1,344	\$	2,721	\$	4,133	\$	5,580	\$	7,064		
High	\$	70,549	\$	73,656	\$	76,842	\$	80,107	\$	83,453	\$	86,883		
Income per shift														
Low	\$	980	\$	1,004	\$	1,029	\$	1,055	\$	1,082	\$	1,109		
High	\$	1,274	\$	1,306	\$	1,338	\$	1,372	\$	1,406	\$	1,441		

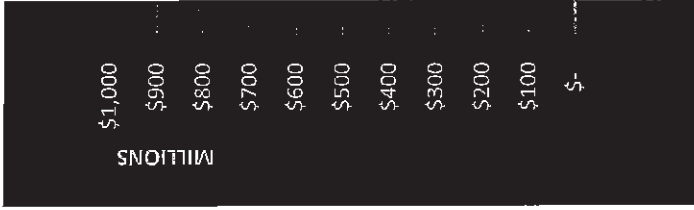
Net Income per shift														
Low	\$	-	\$	6	\$	11	\$	17	\$	23	\$	29		
High	\$	294	\$	307	\$	320	\$	334	\$	348	\$	362		

Net Income per week														
Low	\$	-	\$	28	\$	57	\$	86	\$	116	\$	147		
High	\$	1,470	\$	1,535	\$	1,601	\$	1,669	\$	1,739	\$	1,810		

Net Income per Year														
Low	\$	-	\$	1,456	\$	2,948	\$	4,478	\$	6,046	\$	7,653		
High	\$	76,428	\$	79,794	\$	83,245	\$	86,782	\$	90,408	\$	94,124		

CTPI - Deliberative Process

Released under RTI - DPC



Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,663,620,000					\$ 510,000
	\$ 1,330,896,000	-\$ 332,724,000	-\$	332,724,000	-\$	\$ 408,000
	\$ 1,064,716,800	-\$ 266,179,200	-\$	598,903,200	-\$	\$ 326,400
	\$ 851,773,440	-\$ 212,943,360	-\$	811,846,560	-\$	\$ 261,120
	\$ 681,418,752	-\$ 170,354,688	-\$	982,201,248	-\$	\$ 208,896
	\$ 545,135,002	-\$ 136,283,750	-\$	1,118,484,998	-\$	\$ 167,117
	\$ 436,108,001	-\$ 109,027,000	-\$	1,227,511,999	-\$	\$ 133,693
	\$ 348,886,401	-\$ 87,221,600	-\$	1,314,733,599	-\$	\$ 106,955
	\$ 279,109,121	-\$ 69,777,280	-\$	1,384,510,879	-\$	\$ 85,564
	\$ 223,287,297	-\$ 55,821,824	-\$	1,440,332,703	-\$	\$ 68,451

\$ 178,629,837	-\$ 44,657,459	-\$ 1,484,990,163	\$ 54,761
\$ 142,903,870	-\$ 35,725,967	-\$ 1,520,716,130	\$ 43,809
\$ 114,323,096	-\$ 28,580,774	-\$ 1,549,296,904	\$ 35,047

New Drivers Per Year	25%	35%
New Drivers Per Year	1,631	2,283
Course Cost	\$ 2,550	2,550
Total Cost of Courses Per Year		

Discount rate	9.5%	9.5%
	\$ 43,779,474	\$ 61,291,263

Medical Test		
Travel time	15	20
Time (Mins)	10	15
Cost	\$ 93.50	
Doc Cost of Time (per hour)	\$ 150	
Driver Cost of Time (per hour)	\$ 50	

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor	\$ 40,775	\$ 85,628
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers	\$ 186,478	\$ 280,097
	\$ 139.33	\$ 160.17	Total Annual Cost	\$ 227,253	\$ 365,725
Total Cost Per Year	\$ 227,253	\$ 365,725	NPV	\$ 2,392,133	\$ 3,849,732

\$ 20.83 \$ 29.17

16,310 34,251
272 571
54 114
\$ 2.50 \$ 25.00
\$ 0.83 \$ 20.83

Released Under RTI

Bailment Agreement	Driver	Taxi Company
Time to fill in form (Hour)	1	1
Time to submit form (Hour)	2	2
Time to gain legal advice	3	
Cost of legal advice	\$ 500	
Cost of fill in form	\$ 50	\$ 50
Cost of submit form	\$ 100	\$ 100
Cost of time on legal	\$ 150	\$ -
Cost of DTMR managing form	\$ 200	
Total Cost per year	\$ 1,631,000	\$ 342,510
PV	\$ 17,168,421	\$ 3,605,368
		\$ 1,973,510
		\$ 20,773,789

Driving History		
Time to access	2	3
Time to report	1	1
Total Time	3	4
Cost	\$ 150	\$ 200
Total Cost	\$ 244,650	\$ 456,680
PV	\$ 2,575,263	\$ 4,807,158

Item	Annual Cost	PV
Driver Training	\$ 4,159,050	\$ 43,779,474
Medical Test	\$ 227,253	\$ 2,392,133
Driver History	\$ 244,650	\$ 2,575,263
Language Test	\$ 489,300	\$ 5,150,526
Bailment Agreement	\$ 1,973,510	\$ 20,773,789
Application Fee	\$ 55,536	\$ 584,585
Total Cost	\$ 7,149,298	\$ 75,255,771

Language Test

Fee		100
Time		4
Cost of time	\$	200
Total cost per person	\$	300
Total cost per year	\$	489,300
PV	\$	5,150,526
	\$	7,210,737

Application cost	
Fee	34.05
Cost	55,536
PV	584,585

Depreciation	Annual Depreciation	Increase in Annual Depreciation	Increase in Depreciation for All Taxis in Queensland	PV for All Taxis in Queensland	
Six years	\$ 8,333				6
Eight years	\$ 6,250	\$ 2,083	\$ 6,795,833	\$ 71,535,088	8
Ten years	\$ 5,000	\$ 3,333	\$ 10,873,333	\$ 114,456,140	10
Twelve years	\$ 4,167	\$ 4,167	\$ 13,591,667	\$ 143,070,175	12

\$ 50,000

Released under RTI

Annual Depreciation	
\$ 8,333	
\$ 974	
\$ 9,308	

Fuel Costs	
Cost of a Tank \$ 80.00	
Number of Tanks per shift 2	
Cost per shift \$ 160	
Cost per week \$ 800	
Cost per year \$41,600	

Assumptions	
Cars Life 6	
WACC 9.5%	
Inflation 2.5%	
Resale Value -\$ 9,454	
Number of Shifts Per Year 240	
Number of Shifts Per week 5	
Number of Trips per Shift 35	
Hours Per Shift 8	
Number of Trips per Hour 4.4	
Weeks per year 48	

B&W Cab
Expectation

n	\$182,000
	\$234,000

Released under RTI - DRG

	1993	2013
\$	20.67	\$ 55.48
\$	9.55	25.63
\$		81.12
		\$ 1,158.81
		\$ 50,000,000
\$	100,000	
	240	
	8	1920
		\$ 52.08

Page 235 redacted for the following reason:

CTPI - Deliberative Process

Released under RTI - DPC

Item	Annual Cost (\$M)	PV (\$M)
Driver Training	\$ 4.2	\$ 43.8
Medical Test	\$ 0.2	\$ 2.4
Driver History	\$ 0.2	\$ 2.6
Language Test	\$ 0.5	\$ 5.2
Bailment Agreement	\$ 2.0	\$ 20.8
Application Fee	\$ 0.1	\$ 0.6
Total Cost	\$ 7.1	\$ 75.3

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Annual Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

Licence
Car
Other Assets
Total

\$ 51,000
\$ 76,500

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
Sub Total	\$ 266,284	\$ 270,819	\$ 275,468	\$ 280,233	\$ 285,117	\$ 290,123
Required Income Per Shift	\$ 1,110	\$ 1,128	\$ 1,148	\$ 1,168	\$ 1,188	\$ 1,209
Required Income Per Trip						
	\$ 22,591	\$ 23,131	\$ 23,669	\$ 24,215	\$ 24,841	\$ 25,433
	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11
	29%	28%	28%	27%	27%	26%
Expected Income						
Low	\$ 266,284	\$ 272,941	\$ 279,765	\$ 286,759	\$ 293,928	\$ 301,276

High	\$	346,170	\$	354,824	\$	363,694	\$	372,787	\$	382,106	\$	391,659
Expected Income Per Shift												
Low	\$	1,110	\$	1,137	\$	1,166	\$	1,195	\$	1,225	\$	1,255
High	\$	1,442	\$	1,478	\$	1,515	\$	1,553	\$	1,592	\$	1,632
Expected Income Per Trip												
Low	\$	32	\$	32	\$	33	\$	34	\$	35	\$	36
High	\$	41	\$	42	\$	43	\$	44	\$	45	\$	47

Net Income

Low	\$	-	\$	2,122	\$	4,297	\$	6,526	\$	8,811	\$	11,154
High	\$	79,885	\$	84,004	\$	88,226	\$	92,554	\$	96,990	\$	101,536

Income per shift

Low	\$	1,110	\$	1,137	\$	1,166	\$	1,195	\$	1,225	\$	1,255
High	\$	1,442	\$	1,478	\$	1,515	\$	1,553	\$	1,592	\$	1,632

Net Income per shift

Low	\$	-	\$	915	\$	18	\$	27	\$	37	\$	46
High	\$	333	\$	350	\$	368	\$	386	\$	404	\$	423

Net Income per week

Low	\$	-	\$	44	\$	90	\$	136	\$	184	\$	232
High	\$	1,664	\$	1,750	\$	1,838	\$	1,928	\$	2,021	\$	2,115

Net Income per Year

Low	\$	-	\$	2,299	\$	4,655	\$	7,070	\$	9,546	\$	12,083
High	\$	86,542	\$	91,005	\$	95,579	\$	100,267	\$	105,072	\$	109,998

Released Under FOIA

Released in Accordance with DPC

Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,663,110,000				\$ 510,000
	\$ 1,330,488,000	-\$ 332,622,000	\$	332,622,000	\$ 408,000
	\$ 1,064,390,400	-\$ 266,097,600	-\$	598,719,600	\$ 326,400
	\$ 851,512,320	-\$ 212,878,080	\$	811,597,680	\$ 261,120
	\$ 681,209,856	-\$ 170,302,464	-\$	981,900,144	\$ 208,896
	\$ 544,967,885	-\$ 136,241,971	-\$	1,118,142,115	\$ 167,117
	\$ 435,974,308	-\$ 108,993,577	-\$	1,227,135,692	\$ 133,693
	\$ 348,779,446	-\$ 87,194,862	-\$	1,314,330,554	\$ 106,955
	\$ 279,023,557	-\$ 69,755,889	-\$	1,384,086,443	\$ 85,564
	\$ 223,218,846	-\$ 55,804,711	-\$	1,439,891,154	\$ 68,451
	\$ 178,575,076	-\$ 44,643,769	-\$	1,484,534,924	\$ 54,761
	\$ 142,860,061	-\$ 35,715,015	-\$	1,520,249,939	\$ 43,809
	\$ 114,288,049	-\$ 28,572,012	-\$	1,548,821,951	\$ 35,047

New Drivers Per Year	25%	35%
New Drivers Per Year	1,631	2,283
Course Cost	\$ 2,550	2,550
Total Cost of Courses Per Year		

Discount rate	9.5%	9.5%
---------------	------	------

\$ 43,766,053 \$ 61,272,474

Medical Test		
Travel time	15	20
Time (Mins)	10	15
Cost	\$ 93.50	
Doc Cost of Time (per hour)	\$ 150	
Driver Cost of Time (per hour)	\$ 50	

16,305 34,241
272 571
54 114

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor	\$ 40,763	\$ 85,601
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers	\$ 186,421	\$ 280,011
	\$ 139.33	\$ 160.17	Total Annual Cost	\$ 227,183	\$ 365,612
Total Cost Per Year	\$ 227,183	\$ 365,612	NPV	\$ 2,391,400	\$ 3,848,552

\$ 20.83 \$ 29.17

Bailment Agreement		Driver	Taxi Company
Time to fill in form (Hour)	1		1
Time to submit form (Hour)	2		2
Time to gain legal advice	3		
Cost of legal advice	\$ 500		
Cost of fill in form	\$ 50	\$ 50	
Cost of submit form	\$ 100	\$ 100	
Cost of time on legal	\$ 150	\$ -	
Cost of DTMR managing form	\$ 200		
	\$ 1,000	\$ 150	
Total Cost per year	\$ 1,630,500	\$ 342,405	\$ 1,972,905
PV	\$ 17,163,158	\$ 3,604,263	\$ 20,767,421

Item
Driver Training
Medical Test
Driver History
Language Test
Bailment Agreement
Application Fee
Total Cost

Released Japerun Press

Driving History

Time to access	2	3
Time to report	1	1
Total Time	3	4
Cost	\$ 150 \$	\$ 200
Total Cost	\$ 244,575 \$	\$ 456,540
PV	\$ 2,574,474 \$	\$ 4,805,684

Language Test

Fee	100
Time	4
Cost of time	\$ 200
Total cost per person	\$ 300
Total cost per year	\$ 489,150 \$
PV	\$ 5,148,947 \$
	\$ 684,810
	\$ 7,208,526

Application cost

Fee	34.05
Cost	55,519
PV	584,406

Life	Asset Value	Annual Depreciation
	\$ 510,000	
6	\$ 50,000	\$ 8,333
6	\$ 5,845	\$ 974
	\$ 565,845	\$ 9,308

10% \$ 187,221,000 \$ 1,970,747,368
 15% \$ 280,831,500 \$ 2,956,121,053

1993 2013
 \$ 190,000 \$ 20.67 \$ 55.48

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$41,600

Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cab
 Expectatio
 n

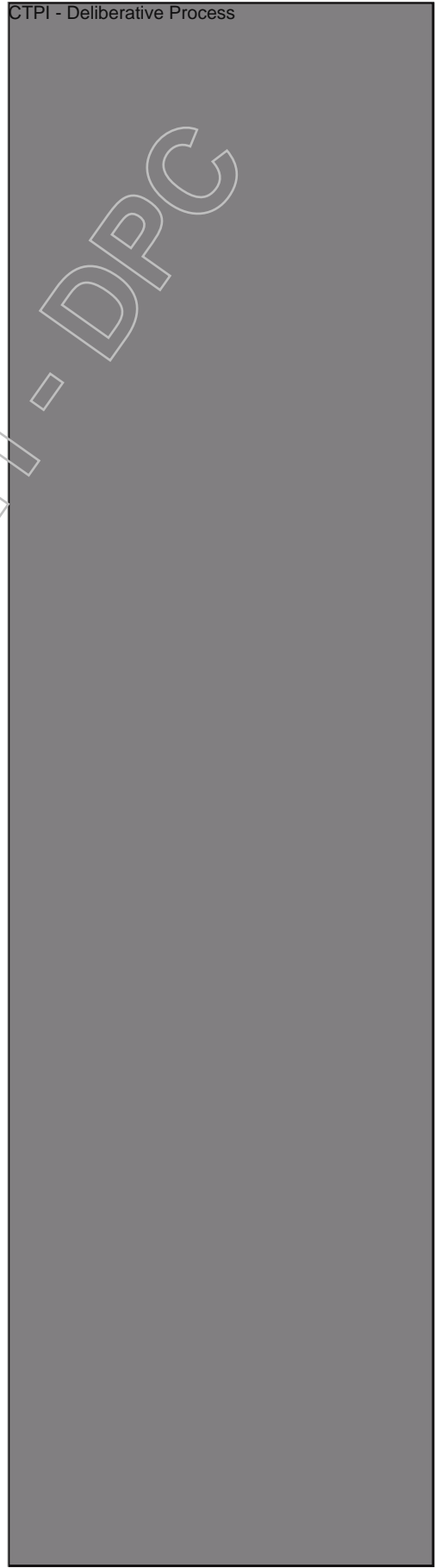
\$182,000
\$234,000

Released Under RTI

2.7 \$ 9.55 \$ 25.63 648.93
 \$ 81.12 \$ 50,000,000

\$ 100,000
 240
 8 1920 \$ 52.08

Released under RTI - DPC



CTPI - Deliberative Process

Page 244 redacted for the following reason:

CTPI - Deliberative Process

Released under RTI - DPC

\$ 2.50 \$ 25.00 \$ 37.50
 \$ 0.83 \$ 20.83 \$ 29.17

Annual Cost	PV
\$ 4,157,775	\$ 43,766,053
\$ 227,183	\$ 2,391,400
\$ 244,575	\$ 2,574,474
\$ 489,150	\$ 5,148,947
\$ 1,972,905	\$ 20,767,421
\$ 55,519	\$ 584,406
\$ 7,147,107	\$ 75,232,700

Item	Annual Cost (\$M)	PV (\$M)
Driver Training	\$ 4.2	\$ 43.8
Medical Test	\$ 0.2	\$ 2.4
Driver History	\$ 0.2	\$ 2.6
Language Test	\$ 0.5	\$ 5.1
Bailment Agreement	\$ 2.0	\$ 20.8
Application Fee	\$ 0.1	\$ 0.6
Total Cost	\$ 7.1	\$ 75.2

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

	Life	Asset Value
Licence		\$ 510,000
Car	6	\$ 50,000
Other Assets	6	\$ 5,845
Total		\$ 565,845

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Sub Total</i>	\$ 266,284	\$ 270,819	\$ 275,468	\$ 280,233	\$ 285,117	\$ 290,123
Required Income Per Shift	\$ 1,110	\$ 1,128	\$ 1,148	\$ 1,168	\$ 1,188	\$ 1,209
Required Income Per Trip	\$ 22.59	\$ 23.13	\$ 23.69	\$ 24.25	\$ 24.84	\$ 25.43
	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11
	29%	28%	28%	27%	27%	26%

Expected Income	
Low	\$ 266,284 \$ 272,941 \$ 279,765 \$ 286,759 \$ 293,928 \$ 301,276
High	\$ 346,170 \$ 354,824 \$ 363,694 \$ 372,787 \$ 382,106 \$ 391,659
Expected Income Per Shift	

\$ 190,000
2.7

Low	\$ 1,110	\$ 1,137	\$	1,166	\$ 1,195	\$ 1,225	\$ 1,255
High	\$ 1,442	\$ 1,478	\$	1,515	\$ 1,553	\$ 1,592	\$ 1,632
Expected Income Per Trip							
Low	\$ 32	\$ 32	\$	33	\$ 34	\$ 35	\$ 36
High	\$ 41	\$ 42	\$	43	\$ 44	\$ 45	\$ 47

Net Income

Low	\$ -	\$ 2,122	\$	4,297	\$ 6,526	\$ 8,811	\$ 11,154
High	\$ 79,885	\$ 84,004	\$	88,226	\$ 92,554	\$ 96,990	\$ 101,536

Income per shift

Low	\$ 1,110	\$ 1,137	\$	1,166	\$ 1,195	\$ 1,225	\$ 1,255
High	\$ 1,442	\$ 1,478	\$	1,515	\$ 1,553	\$ 1,592	\$ 1,632

Net Income per shift

Low	\$ -	\$ 9	\$	18	\$ 27	\$ 37	\$ 46
High	\$ 333	\$ 350	\$	368	\$ 386	\$ 404	\$ 423

Net Income per week

Low	\$ -	\$ 44	\$	90	\$ 136	\$ 184	\$ 232
High	\$ 1,664	\$ 1,750	\$	1,838	\$ 1,928	\$ 2,021	\$ 2,115

Net Income per Year

Low	\$ -	\$ 2,299	\$	4,655	\$ 7,070	\$ 9,546	\$ 12,083
High	\$ 86,542	\$ 91,005	\$	95,579	\$ 100,267	\$ 105,072	\$ 109,998

Released

Annual Depreciation	
\$ 8,333	
\$ 974	
\$ 9,308	

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$41,600

Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cab Expectation	\$182,000
	\$234,000

	1993	2013
\$	20.67	\$55.48
\$	9.55	\$25.63
		\$81.12
		\$ 648.93

Released under RTI - DPC

\$	100,000	\$	50,000,000
	240		
	8		
	1920		
\$		\$	52.08

ESTABLISHMENT COSTS	
Licence Purchase	
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 55,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

	Life	Asset Value
Licence		\$ -
Car	6	\$ 50,000
Other Assets	6	\$ 5,845
Total		\$ 55,845

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Sub Total</i>	\$ 189,784	\$ 194,319	\$ 198,968	\$ 203,733	\$ 208,617	\$ 213,623
Required Income Per Shift	\$ 791	\$ 810	\$ 829	\$ 849	\$ 869	\$ 890
Required Income Per Trip						

Expected Income						
Low	\$ 189,784	\$ 194,529	\$ 199,392	\$ 204,377	\$ 209,486	\$ 214,723
High	\$ 246,720	\$ 252,888	\$ 259,210	\$ 265,690	\$ 272,332	\$ 279,140
Expected Income Per Shift						
Low	\$ 791	\$ 811	\$ 831	\$ 852	\$ 873	\$ 895
High	\$ 1,028	\$ 1,054	\$ 1,080	\$ 1,107	\$ 1,135	\$ 1,163
Expected Income Per Trip						

\$ 190,000

Low	\$	23	\$	23	\$	24	\$	24	\$	25	\$	26
High	\$	29	\$	30	\$	31	\$	32	\$	32	\$	33

Net Income

Low	\$	-	\$	209	\$	424	\$	644	\$	870	\$	1,101
High	\$	56,935	\$	58,568	\$	60,242	\$	61,957	\$	63,716	\$	65,518

Income per shift

Low	\$	791	\$	811	\$	831	\$	852	\$	873	\$	895
High	\$	1,028	\$	1,054	\$	1,080	\$	1,107	\$	1,135	\$	1,163

Net Income per shift

Low	\$	-	\$	1	\$	2	\$	3	\$	4	\$	5
High	\$	237	\$	244	\$	251	\$	258	\$	265	\$	273

Net Income per week

Low	\$	-	\$	4	\$	9	\$	13	\$	18	\$	23
High	\$	1,186	\$	1,220	\$	1,255	\$	1,291	\$	1,327	\$	1,365

Net Income per Year

Low	\$	-	\$	227	\$	459	\$	698	\$	942	\$	1,193
High	\$	61,680	\$	63,449	\$	65,262	\$	67,120	\$	69,025	\$	70,978

Released from Jernigan

Annual Depreciation	
\$ 8,333	
\$ 974	
\$ 9,308	

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$41,500

Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Number of Trips per year	8,400

1993 2013
 \$ 20.67 \$ -
 \$ 9.55 \$ -
 \$ - \$ -

\$ 50,000,000

Darwin Taxi Rates

Northern Territory

Peak Rates (06:00 - 17:59)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$4.20	\$1.49 Free	\$53.73/hour
Off Peak Rates (18:00 - 05:59 + Saturday & Sunday)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$5.00	\$1.83 Free	\$53.73/hour

Brisbane Taxi Rates

Queensland

Peak Rates (07:00 - 19:00)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$2.90	\$2.14	\$1.50 \$47.40/hour
Off Peak Rates (19:01 - 06:59 + Saturday & Sunday)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$6.30	\$2.14	\$1.50 \$47.40/hour

Distance	10 km	
	Peak	Off Peak
Darwin Fare	\$ 19.08	\$ 19.79
Brisbane Fare	\$ 24.30	\$ 23.30
	-\$ 5.22	-\$ 3.51
	-27%	-18%

Wellington

1.49
2.43
0.94
63%

Licence Purchase	\$ 510,000	New
Number of taxi licences	5,000	
Total Value	\$ 1,577,940,000	



Released under RTI - DPC

	Number of Licences	Est Value	Est Value
Brisbane	1,867	\$ 510,000	\$ 952,170,000

\$M Annual

Ipswich	68	\$	450,000	\$	30,600,000
Redcliffe	37	\$	350,000	\$	12,950,000
Gold Coast	357	\$	500,000	\$	178,500,000
Provincial Cities	765	\$	300,000	\$	229,500,000
Total	3,094				\$ 1,403,720,000

\$ 174,220,000

Driver	
Authorisation	\$ 14.20
Depreciation	\$ 12.90
Supply Constraint	\$262.50
Total	\$289.60

Released under RTI - DDC

Released under RTI - DPC

40%	30%
80%	80%
\$ 315,588,000	
9	10
\$ 94,676,400	

50%	50%
\$ -	\$ 47,338,200

\$ 38,482 \$ 42,330 \$ 46,563 \$ 51,219 \$ 56,341 \$ 61,975 \$ 68,173 \$ 74,990 \$ 82,489 \$ 90,738 \$ 99,812

PV

\$ 149.30
\$ 135.70
\$ 2,760.00
\$3,045.00

Released under RTI - DPC

Average Price	\$ 510,000		
Number of Licences	3,262	\$ 2,191	\$ 34,337
Number of Licence Owners	2,191	\$ 3,262	\$ 23,063

<i>Contracted Area</i>	<i>Conventional</i>	<i>Wheelchair</i>
Brisbane	\$523,000	\$356,000
Bundaberg	\$293,200	\$163,940
Cairns	\$500,940	\$363,216
Gladstone	\$246,900	\$66,420
Gold Coast	\$581,936	\$418,415
Gympie	\$229,092	\$100,294
Hervey Bay	\$336,160	\$327,560
Innisfail	\$138,380	\$28,250
Ipswich	\$347,000	\$140,160
Mackay	\$396,400	\$287,802
Maryborough	\$158,696	\$101,120
Mt Isa	\$217,936	\$22,500
Redcliffe	\$419,700	\$277,000
Rockhampton	\$284,000	\$148,600
Sunshine Coast	\$435,600	\$341,200
Toowoomba	\$354,000	\$298,000
Townsville	\$467,200	\$301,300
Yeppoon	\$182,150	\$138,167

Released Under RTI - DPC

Not Government Policy

Economics of Taxi Deregulation in Queensland

Queensland Governments have developed a raft of taxi industry regulations over many years in an effort to ensure the safe and comfortable transport of the general public and to assist an emerging taxi industry. However, in the modern world many of these historic regulations have become inefficient, unrequired and costly to the general public. Modern mobile technology has provided innovation in the taxi industry to ensure all passengers are safe and happy with their chosen transport service.

There are many regulations on the current taxi and private hire vehicle drivers however, this paper will only examine three particular issues, including:

1. Driver authorisations
2. Vehicle safety requirements and
3. Taxi licences

Driver authorisations

What is a driver authorisation?

The Transport Operations (Passenger Transport) Act 1994 requires, with some exceptions, drivers of motor vehicles that are used to provide public passenger services to hold driver authorisation. Driver authorisation is a qualification that a driver of a motor vehicle providing a public passenger service must attain and maintain to operate the vehicle.

The stated purpose of driver authorisation is to ensure drivers of public passenger vehicles are suitable persons, having regard to the safety of children and other vulnerable members of the community, the personal safety of passengers and their property, public safety and the reputation of public passenger transport. The requirements for obtaining a drivers authorisation are:

1. Minimum age of 20 years old
2. Entitlement to work in Australia
3. Pass a criminal history check
4. Hold a current Australian open drivers licence
5. Held an open or provisional driver licence (Australian or overseas) continuously for at least three years for a car, truck or bus
6. In addition, the applicant must— have held an Australian driver licence (other than a learner licence) for at least 12 months continuously in the three years immediately preceding the application
7. An applicant for taxi driver authorisation must be able to speak and understand English.
8. Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course
9. Operators of taxi services must ensure a written taxi service bailment agreement

Not Government Policy

Minimum age

Applicants for taxi driver authorisation must be at least 20 years of age before their application can be accepted by the Department of Transport and Main Roads.

Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society. Australian citizens over the age of 17 are able to join the Australian Defence Force and take cars, trucks, tanks, weapons and aircraft into battle; however these same people cannot drive a taxi in Queensland.

The cost to the Queensland economy is difficult to measure however would be related to increased youth unemployment, reduced standard of living and increased cost of operations for the taxis.

Entitlement to work in Australia

Applicants for driver authorisation or renewal of driver authorisation must provide documentary proof of their entitlement to work in Australia.

This specification appears to be a statement of fact. Everyone who works in Australia has to have the entitlement to work in Australia. Managing working visas in Australia is the responsibility of the Federal Department of Immigration and Border Protection not the Queensland Department of Transport and Main Roads (DTMR).

The cost of DTMR managing and regulating this requirement is an unnecessary burden on the Queensland tax payer.

Criminal History

The applicant must have a satisfactory criminal history record having regard to the safety of children and other vulnerable members of the community, as well as the personal safety of passengers and their property.

Punishment is not for revenge, but to lessen crime and reform the criminal. - Elizabeth Fry

People in Australia who break the law and are charged are dealt with by the Australian and or State legal system. Once the person has paid their fine or completed their time in prison they have completed their legally required payment for breaking the government's laws.

The government continuing to impinge on a person's life after they have completed the original punishment is contrary to the basis for the Australian legal system and society. Driving a taxi is a very basic low level of skill job which is a perfect job for a person with a criminal history. The government using its power to stop people with a criminal history gaining employment will only further increase recidivism. Holding people in gaol is very costly both in direct government payments and in lost productivity.

Not Government Policy

Individual taxi companies may wish to check a person's criminal history and some may actually be able to maintain a high standard of driver as a selling point of its service. However, it is not reasonable for the State Government to stop people from working because of a past criminal act.

Drivers licence

Driver authorisations require a person to hold an open Australian drivers licence, have held that licence (or provisional licence) for at least three years and held that licence for at least twelve months continuously in the three years immediately preceding the application.

The first of these requirements appears to be stating a fact. Any person driving a car in Australia has to hold a drivers licence, except the requirement to hold an open licence. Under Queensland law if a person holds a provisional drivers licence they are allowed to carry passengers in their car except for P1 licence drivers between 11pm and 5am¹. Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society.

The second of these requirements is that a person has held a licence for three years. Again, under Queensland law if a person holds a drivers licence they are allowed to carry passengers in their vehicle. The Queensland Government requirement for the licence to be held for three years is a costly constraint on supply of drivers. Particular, taxi companies may wish to set a special driving test or limit its drivers by specifying a set amount of experience. These taxi companies could use its high standard of drivers as a selling point in the market. But the Queensland Government limiting the number of drivers available for service by setting arbitrary limits on driving experience will increase to cost of delivering the service and the cost to the community.

The third requirement is that the person will have held the licence for at least twelve months continuously in the three years immediately preceding the application. The wording of this requirement is unclear and appears to be ill defined. Either the person has held their licence continuously for twelve months immediately preceding the application or they have not. It is unclear what the three years has to do with this requirement.

However, the requirement to have held a licence for twelve months continuously is a costly constraint on employment and supply of drivers. A person with a drivers licence in Queensland is allowed to carry passengers and therefore there is no difference if the driver is paid money or not. If a person lost their licence due to a driving offence but has regained their licence then they should be free to drive a taxi. Once the State Government has punished a person for an offence the punishment should stop. Continuing to punish a person after a court punishment is extending the law which could dramatically affect a person's earning capability and life in general. Taxi drivers are not rich people and rely on driving for a living. If a person loses their licence for a few months it will

¹ If you are driving on a P1 licence between 11pm and 5am, and you are under 25, you can only carry 1 passenger under the age of 21 who is not an immediate family member. <https://www.qld.gov.au/transport/licensing/driver-licensing/applying/provisional/restrictions/index.html>

Not Government Policy

make their life difficult but the State Government not allowing that person to work for a further twelve months is cruel and costly. The person may turn to crime to live and then become a burden on the State through Police, court, prisons, housing and welfare payment.

Driving history

The applicant must have a driving history that the chief executive, Department of Transport and Main Roads, considers is suitable to hold driver authorisation.

This requirement is arbitrary and costly constraint on the supply of taxi drivers. If a person is licenced to drive in Queensland then they are allowed to carry passengers. Individual companies may wish to investigate a driver's history before hiring that person but it is not clear why the State Government would be concerned with this issue. The State Government has provided that person a licence that allows them to drive anywhere in Australia carrying passengers. Either that person is capable of driving or they are not.

The current wording of this requirement is arbitrary in that it requires the Chief Executive of DTMR to assess the persons driving history to be 'suitable'. It is not clear what 'suitable' means and at what level the Chief Executive must set to allow people to drive people for money. The cost of the Chief Executive and their staff to review driver's history is not justified against the small possible benefits of limiting drivers with an unsuitable driving history. An estimate of the DTMR cost of this action is \$150 to \$200 per application or \$0.5 million to \$0.9 million per year or a PV of \$5.1 million to \$9.5 million.

Language skills

An applicant for taxi driver authorisation must be able to speak and understand English. All new applicants for taxi driver authorisation in major taxi service areas (areas with 35 or more taxi service licences) need to undertake an English assessment through a Registered Training Organisation (RTO) approved by the department. However, new applicants in non-major taxi service areas (areas with 34 or fewer taxi service licences) will not be required to undertake an English assessment.

This regulation appears to be discriminating against people who do not speak English and people who cannot speak at all. There is very little benefit for the State of Queensland in requiring a taxi driver to have English language skills. However, there are significant costs in DTMR and the Department of Education, Training and Employment (DETE). Due to technological advances it is possible to use free translation software on a smart phone to communicate with a person who does not speak English.

The costs are related to DETE having to certify an RTO and manage that RTO's credentials which is redirecting valuable resources from other education activities. The cost to DTMR are related to its staff having to check these requirements are met and the RTOs are certified. The cost to the applicant is \$100 fee and the time taken to complete the test which could be in the order of a half days effort (4 hours at \$50 per hour is a cost of \$200 of time per person). That is a total cost per year of \$0.97 million to \$1.4 million or PV of \$10.2 million to \$14.3 million.

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If a person or a company feels it can communicate sufficiently with its customers and are able to attract paying customers then there is no reason why the government should stop that market transaction.

Driver training

Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course specified by the Chief Executive. This course is a five day course which costs over \$550 per person. The time cost of a person attending a five day course is \$2,000² per person.

The training course is targeted at teaching the driver about the taxi regulations, education about taxicab communications, major roads, attractions and how to carry out financial transactions. There is no clear identification why the Queensland Government requires by law that a taxi driver learn any of these particular things. The modern solutions to the past issues in the taxi industry have provided cheap and easy ways of avoiding any problems that the course is aimed at solving. Mobile phones have communication, navigation, attraction identification and simple automatic payment systems.

Individual companies may wish to get their drivers to complete a course or send them on some kind of training however, there is no reason the Queensland Government should require it by law. The cost of requiring this course is the opportunity cost of redirecting qualified trainers away from trade training and other productive forms of training and the cost to the drivers of about \$8.3 million to \$11.5³ million per year or PV of \$86.8 million to \$121.6 million.

Medical test

The applicant must obtain a medical certificate for a commercial vehicle driver. The medical certificate is to be obtained from a medical practitioner and assessed in accordance with the Austroads Inc publication "Assessing to Drive -- For Commercial and Private Vehicle Drivers" national medical standards.

Austroads indicate the increased medical assessment for a commercial over a non-commercial driver are set due to the increased risks:

The assignment of medical standards for vehicle drivers is based on an evaluation of the driver, passenger and public safety risk, where risk = likelihood of the event x severity of consequences. Commercial vehicle crashes may present a severe threat to passengers, other road users (including pedestrians and cyclists) and residents adjacent to the road. Such crashes present potential threats in terms of spillage of chemicals, fire and other significant property damage.

² Eight hours per day multiplied by 5 days multiplied by \$50 per hour is \$2,000

³ Assumes 2 drivers per taxi licence, between 25% and 35% driver turnover, \$2,550 per course and a discount rate of 9.5%

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Austrroads sets the standards for drivers as the private standards should be applied to drivers applying for or holding a licence class C (car), R (motorcycle) or LR (light rigid) unless the driver is also applying for an authority or is already authorised to use the vehicle for carrying public passengers for hire or reward or for carrying bulk dangerous goods, or, in some jurisdictions, for a driving instructor.

The commercial standards should be applied to:

1. drivers of 'heavy vehicles', i.e. those holding or applying for a licence of class MR (medium rigid), HR (heavy rigid),
2. HC (heavy combination) or MC (multiple combination)
3. drivers carrying public passengers for hire or reward (bus drivers, taxi drivers, chauffeurs, drivers of hire cars and small buses, etc.)
4. drivers carrying bulk dangerous goods
5. drivers subject to requirements for Basic or Advanced Fatigue Management under the National Heavy Vehicle Accreditation Standard
6. other driver categories who may also be subject to the commercial vehicle standards as a result of certification requirements of the authorising body or as required by specific industry standards, for example, driving instructors and members of Trucksafe:

Using Austrroads test for risk (likelihood of the event multiplied by the severity of consequences) it is not clear why a taxi driver would be at or cause any higher risk than any 'non-commercial driver' on the roads. The likelihood of a taxi driver having an accident is no higher than any non-commercial driver in any given hour of driving. Taxi drivers may be in more accidents overall, however this would be due to the large number of them as a group and the large number of hours driving. There are no restrictions on non-commercial class C drivers on the number of hours they drive, therefore all drivers could drive for as many or more than a taxi driver. The consequences of a taxi driver crashing is exactly the same as any non-commercial vehicle on the road. Therefore, there is no increased risk of a taxi driver compared to a normal class C driving licence holder. The simple requirement that a taxi driver hold an open Queensland licence will remove any risk the driver is under a conditional licence with any medical conditions.

The requirement for a special medical test of a taxi driver appears to be excessive red tape with no basis in public health or risk management. The cost of this requirement is the lost time of both the driver (\$20.83 to \$29.17⁴) and the doctors in completing the test (\$25.00 to 37.50⁵). The drivers direct cost of paying for the test would be about \$93.50⁶.

⁴ Assume travel time of 15 to 20 minutes and appointment time as 10 to 15 minutes at \$50 per hour

⁵ Assume appointment time of 10 to 15 minutes at \$150 per hour

⁶ Provided by Fiveways Medical Centre in Graceville

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Table 1. Costs of a required medical test for taxi drivers⁷

	Low	High
Cost to Doctor	\$ 80,881	\$ 169,851
Cost to Drivers	\$ 369,897	\$ 555,600
Total Annual Cost	\$ 450,778	\$ 725,451
NPV	\$ 4,745,033	\$ 7,636,325

Sources: Premiers, 2015.

These costs do not include the opportunity cost of a doctor missing valuable time treating people with medical conditions due to taking time to test a taxi driver's ability to drive a car. Queensland doctors are spending at least 13 to 28⁸ working weeks⁹ per year on the driving medical test for taxi drivers.

Bailment agreement

Operators of taxi services must ensure a written taxi service bailment agreement is entered into with an authorised driver before permitting them to drive a taxi. Bailment describes a legal relationship in common law where physical possession of personal property, or a chattel, is transferred from one person (the 'bailor') to another person (the 'bailee') who subsequently has possession of the property.

The DTMR explanation of what is required in the bailment agreement indicates the key issues are insurance and employment conditions. Individual companies may wish to implement a form of contract with the drivers but it is not clear why the Queensland Government would require a special agreement. All companies in Queensland already pay a workers compensation premium to the Queensland Department of Work Place Health and Safety. The taxi premium is currently \$2.287 per \$100 of wages as stated in the 6 June 2014 Queensland Government Gazette No. 34. Currently, Uber has implemented rules to cover the drivers and passengers with insurance. The driver must have comprehensive car insurance which covers the driver and Uber has a worldwide public liability insurance which covers the passengers.

The employment contract between a taxi company and a driver should be a private contract which is regulated under the same requirements as any other employment contract. Disputes between drivers and taxi companies would be dealt with by the Fair Work Ombudsman or a range of other agencies¹⁰. The cost of this requirement are the time to complete and submit the form, gaining independent legal advice and processing and storing agreements in DTMR.

⁷ Assume new drivers are 25% (3,235) to 35% (4,529) of total drivers per year, there are two drivers per taxi licence and the discount rate is 9.5%

⁸ Allowing 10 to 15 minutes per test

⁹ Assume a 5 day working week

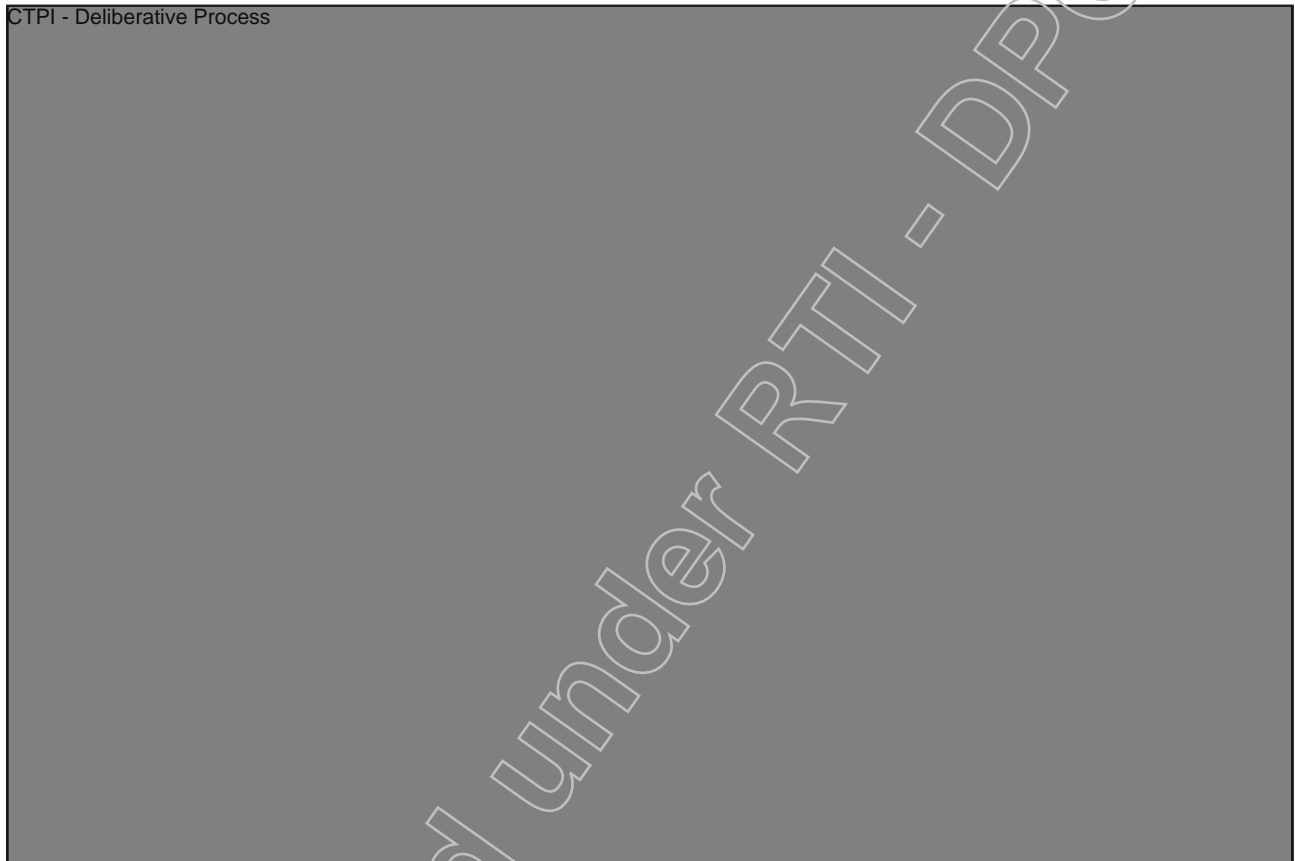
¹⁰ <http://www.complaints.qld.gov.au/>

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Cost to each driver for completing the form and gaining legal advice is estimated at \$800¹¹, the cost to the taxi company is about \$150¹² and the cost to DTMR is estimated at \$200¹³ per application. The total cost per application is estimated at \$1,150 which is a total of \$3.9 million per year or NPV of \$41.2 million¹⁴.

Driver authorisation conclusion

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¹¹ Assume one hour to fill in form, two hours to submit form including travel, three hours of time for legal advice and \$500 for legal advice.

¹² Assume one hour to fill in form, two hours to submit form

¹³ Assume two hours of time managing and accessing the form and the cost of storage and review

¹⁴ Assume a discount rate of 9.5%

¹⁵ <http://www.blackandwhitecabs.com.au/?q=brisbane/Becoming-a-Driver>

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Vehicle safety requirements

The Queensland Transport Operations Regulation 2005¹⁶ there are a range of taxi related vehicle safety related regulations, including:

1. The chief executive may require the operator of a public passenger vehicle to get an inspection
2. An operator of a public passenger vehicle must ensure the vehicle is in a safe condition when it is being used to provide a public passenger service.
3. Passengers must have control over the opening and shutting of the vehicle's doors independently of the driver.
4. A taxi must be constructed, or have a safety partition or some other equipment fitted, to prevent luggage or other goods being carried in the luggage compartment of the vehicle from entering the passenger compartment.
5. If luggage is carried in the passenger compartment—be constructed, or have equipment fitted, to secure the luggage
6. A taxi vehicle cannot be more than six years old
7. Taxis must be fitted with the following:
 - a. a green distress light,
 - b. a hail light;
 - c. a child restraint anchorage bolt.
8. Type of vehicle: forward-control passenger vehicle, passenger car, off-road passenger vehicle or schedule 4 vehicle light bus having up to 12 seating positions, including the driver's position

The current vehicle safety requirements fit into two categories; one is required by all vehicles and the second is unreasonable. The first three requirements above fit into the first category of required by all vehicles. The Chief Executive can require any vehicle to be inspected as stated in Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010¹⁷. An operator of any vehicle must ensure the vehicle is in a safe condition at all times. There are very few vehicles if any in Australia that do not allow the passengers to operate the door locks.

The next five vehicle safety requirements fit into the second category of not reasonable. There is no rational reason that a taxi vehicle should have any different safety equipment or meet any higher level of safety than required for all other road vehicles. The safety of all Australian citizens is as important as the drivers or passengers of taxi vehicles. Special requirements for the carriage of luggage for taxi vehicles has no basis in real safety requirements as the luggage in a non-taxi vehicle is just as dangerous as the luggage in a taxi. The fact the driver is paid for the use of the vehicle does not increase the risk of personal injury from luggage. There are already rules about the safe

¹⁶ Transport Operations (Passenger Transport) Act 1994 Transport Operations (Passenger Transport) Regulation 2005, Current as at 1 January 2015

¹⁷ Transport Operations (Road Use Management) Act 1995, Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010, Current as at 1 January 2015

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restraining of loads for all vehicles which is reasonable and all taxi vehicles will be required to meet these regulations. The cost of special requirements could be significant for each vehicle as special fixtures will need to be added to the vehicle and approved by DTMR.

The current taxi vehicle safety requirements related to a distress light, a hail light and a child restraint anchorage bolt are unreasonable and can create significant costs. All vehicles on the road are fitted with hazard lights which is considered reasonable level of safety for the general public. There is no reason why a taxi should meet a higher safety level. Most vehicles are fitted with a child restraint anchorage bolt as standard however, there is no need for a taxi to require a bolt. The road rules specify the requirements for carriage of a child in a child restraint, there is no reason why a taxi should have to carry a child if it is not fitted with the required equipment. The installation of a bolt in a vehicle is about \$280 for one point and \$380 for two points¹⁸ plus a day off the road for the vehicle and about three hours of time (about \$1,000) per vehicle.

The requirement to only use a certain type of vehicle is unreasonable constraint on the market with no safety aspect.

The highest cost taxi vehicle safety requirement is that the vehicle should be no more than six years old. There is no extra safety related to a vehicle that is less than six years of age compared to all other vehicles on the road. If the vehicle is safe enough for the general public to operate on public roads then it is safe enough for the use as a taxi vehicle. Picture 1 below demonstrates a vehicle which is in very good working condition and is allowed to operate on Queensland roads carrying up to four passengers but would not be allowed to be used as a taxi.

Picture 1. 2006 Holden Commodore VE SS



Source: CarSales.com.au¹⁹

¹⁸ Barryan Accessory Fitting 8 Seashell Drive, Deception Bay QLD 4508 T: 07 3203 2002

¹⁹ <http://www.carsales.com.au/private/details/Holden-Commodore-2006/SSE-AD-3139058/>

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The highest cost of this restriction is the increase in required fares due to the high level of depreciation.

Table 3. Increase in depreciation of a \$50,000 taxi due to limited life²⁰

	Annual Depreciation	Increase in Annual Depreciation	Increase in Annual Depreciation for All Taxis in Queensland	PV for All Taxis in Queensland
Six years	\$ 8,333			
Eight years	\$ 6,250	\$ 2,083	\$ 6,445,833	\$ 67,850,877
Ten years	\$ 5,000	\$ 3,333	\$ 10,313,333	\$ 108,561,404
Twelve years	\$ 4,167	\$ 4,167	\$ 12,891,667	\$ 135,701,754

Source: Premiers, 2015.

The increase in depreciation costs will be passed on to the consumers through higher taxi fares or reduced revenue for licence owners and or drivers.

Limited taxi licences in Queensland

The largest cost of taxi regulations in Queensland are related to the limit on supply of taxi licences. There are direct costs of around \$249.5 million per year or PV of \$2.6 billion due to higher fares than otherwise required. The other related cost are the deadweight loss, reduced tourism, increase in driving under the influence and increased congestion.

Theory of the cost of supply constraints

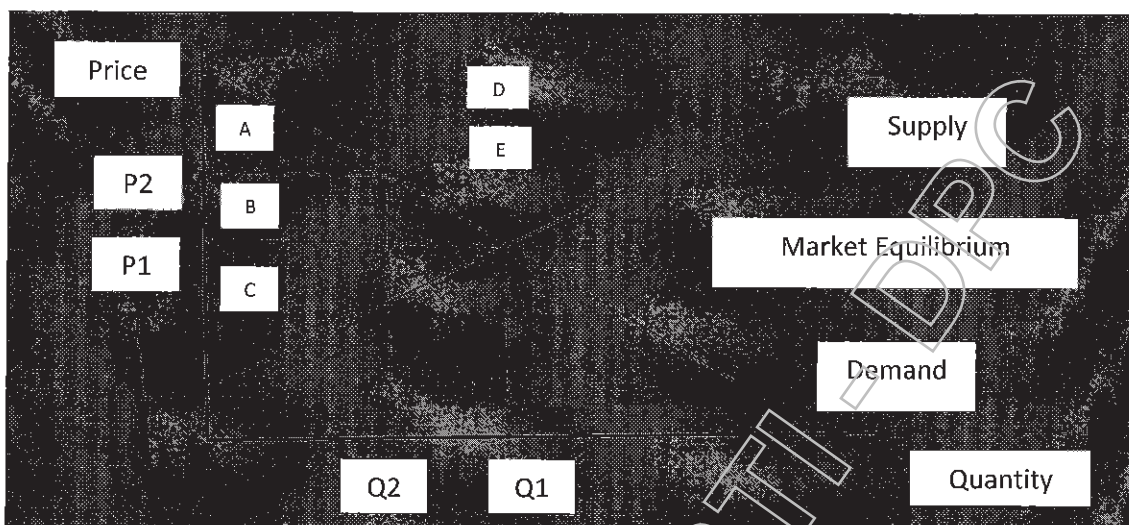
Economic theory provides a clear understanding of the costs associated when governments restrict the supply of goods or services. As shown in graph one below, the price will increase, there will be a deadweight loss²¹, consumers will have reduced wealth and producers will have an increase in wealth.

²⁰ Straight line depreciation assumed, the PV discount rate is 9.5%

²¹ Activity that does not happen that could have if the constraint did not exist.

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Graph 1. Economic theory of supply constraint costs



Source: Premiers, 2015.

The governments supply restriction will reduce the quantity supplied from Q_1 to Q_2 which increases the price from P_1 to P_2 . The move away from the market equilibrium point will redistribute consumer surplus (CS) and producer surplus (PS). The original $CS = A + B + D$ and $PS = C + E$, however after the supply constraint the $CS = A$ and $PS = C + B$. That is the producers have captured a portion of the consumers surplus through the ability to charge above market prices at a low level of supply. The deadweight loss after the supply constraint is $D + E$ which is the area of economic activity that will not occur due to the restriction on supply.

Measuring the actual size of all the different areas of market changes due to the government's restriction on supply is difficult. The area B or the CS captured by producers due to the government's supply constraint is estimated by the required returns on the asset value of owning a taxi licence. Using a typical regulatory pricing model the extra returns required due to the taxi licence value is approximately 30% of the entire required revenue of taxi companies. There are many assumptions included in this price estimate and very little actual data provided to underpin the model. However, the current taxi licence cost in Queensland is approximately \$510,000 which an owner would require a return on capital of between 10% (\$51,000) and 15% (\$76,500) per year per licence. That is a cost of \$166.4 million to \$249.5 million per year (PV \$1.75 billion to \$2.61 billion) of CS reallocated from the general public to taxi licence owners through increased fares for the public and increased profits for taxi licence owners. The total modelled reduced cost to consumers is estimated at \$249.5 million per year or PV of \$2.62 billion.

Deadweight loss is difficult to measure however the related negative externalities are evident in many sectors of the Queensland economy. The major negative externalities are related to:

1. Decrease in tourism
2. Increase in driving under the influence

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3. Increased congestion and
4. Reduced economic activity.

Tourism is decreased due to the high cost and lack of availability of taxi services reducing the ability for tourists to travel into and around tourist areas²². People who wish to travel to and from social events are forced to either not drink or to pay very large taxi fares while experiencing long waiting times. Therefore, the incentive is for people to take more risk in deciding to drive even though they have consumed some alcohol. The negative effects of this incentive are clear and are directly related to the government's restriction on taxi licences. Congestion on the roads in Queensland is very high and is only increased by the limitations placed on taxi licences. In a free market for taxis any person could purchase a vehicle and charge passengers for a trip. In this case a person driving to work could charge people in their street to travel in their car to work with no extra cost by increased revenue. Therefore, the people traveling in that vehicle would not driver their own car or take public transport which would reduce congestion.

There are many other related costs through lost economic activity that are difficult to prove or measure but are evident to an economist. The evidence of the negative effects of government restrictions on supply of goods and services can be seen in past market constraints. Russia is a clear example of the government controlling the market which causes costs on the economy. Pictures two and three below are examples of people lining up to get access to food goods due to the Soviet Russian government controlling the supply of goods and services.

Picture 2. Siberians line up outside a shop in Novokuznetsk, Russia



²² Advice provided by a hotel owner and members of the Southern Gold Coast Chamber of Commerce

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Picture 3. Hindered by centralised market forces: A long queue forms in Novokuznetsk for bacon and other meat from the butcher at a state-run market



Pictures two and three above are similar to the lines now experienced by people in Queensland when trying to catch a taxi in picture four below.

Picture 4. Taxi lines in Brisbane



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Released under RTI - DPC

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Economics of Taxi Deregulation in Queensland

Queensland Governments have developed a raft of taxi industry regulations over many years in an effort to ensure the safe and comfortable transport of the general public and to assist an emerging taxi industry. However, in the modern world many of these historic regulations have become inefficient, unrequired and costly to the general public. Modern mobile technology has provided innovation in the taxi industry to ensure all passengers are safe and happy with their chosen transport service.

There are many regulations on the current taxi and private hire vehicle drivers however, this paper will only examine three particular issues, including:

1. Driver authorisations
2. Vehicle safety requirements and
3. Taxi licences

Driver authorisations

What is a driver authorisation?

The Transport Operations (Passenger Transport) Act 1994 requires, with some exceptions, drivers of motor vehicles that are used to provide public passenger services to hold driver authorisation. Driver authorisation is a qualification that a driver of a motor vehicle providing a public passenger service must attain and maintain to operate the vehicle.

The stated purpose of driver authorisation is to ensure drivers of public passenger vehicles are suitable persons, having regard to the safety of children and other vulnerable members of the community, the personal safety of passengers and their property, public safety and the reputation of public passenger transport. The requirements for obtaining a drivers authorisation are:

1. Minimum age of 20 years old
2. Entitlement to work in Australia
3. Pass a criminal history check
4. Hold a current Australian open drivers licence
5. Held an open or provisional driver licence (Australian or overseas) continuously for at least three years for a car, truck or bus
6. In addition, the applicant must— have held an Australian driver licence (other than a learner licence) for at least 12 months continuously in the three years immediately preceding the application
7. An applicant for taxi driver authorisation must be able to speak and understand English.
8. Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course
9. Operators of taxi services must ensure a written taxi service bailment agreement

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Minimum age

Applicants for taxi driver authorisation must be at least 20 years of age before their application can be accepted by the Department of Transport and Main Roads.

Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society. Australian citizens over the age of 17 are able to join the Australian Defence Force and take cars, trucks, tanks, weapons and aircraft into battle; however these same people cannot drive a taxi in Queensland.

The cost to the Queensland economy is difficult to measure however would be related to increased youth unemployment, reduced standard of living and increased cost of operations for the taxis.

Entitlement to work in Australia

Applicants for driver authorisation or renewal of driver authorisation must provide documentary proof of their entitlement to work in Australia.

This specification appears to be a statement of fact. Everyone who works in Australia has to have the entitlement to work in Australia. Managing working visas in Australia is the responsibility of the Federal Department of Immigration and Border Protection not the Queensland Department of Transport and Main Roads (DTMR).

The cost of DTMR managing and regulating this requirement is an unnecessary burden on the Queensland tax payer.

Criminal History

The applicant must have a satisfactory criminal history record having regard to the safety of children and other vulnerable members of the community, as well as the personal safety of passengers and their property.

Punishment is not for revenge, but to lessen crime and reform the criminal. - Elizabeth Fry

People in Australia who break the law and are charged are dealt with by the Australian and or State legal system. Once the person has paid their fine or completed their time in prison they have completed their legally required payment for breaking the government's laws.

The government continuing to impinge on a person's life after they have completed the original punishment is contrary to the basis for the Australian legal system and society. Driving a taxi is a very basic low level of skill job which is a perfect job for a person with a criminal history. The government using its power to stop people with a criminal history gaining employment will only further increase recidivism. Holding people in gaol is very costly both in direct government payments and in lost productivity.

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Individual taxi companies may wish to check a person's criminal history and some may actually be able to maintain a high standard of driver as a selling point of its service. However, it is not reasonable for the State Government to stop people from working because of a past criminal act.

Drivers licence

Driver authorisations require a person to hold an open Australian drivers licence, have held that licence (or provisional licence) for at least three years and held that licence for at least twelve months continuously in the three years immediately preceding the application.

The first of these requirements appears to be stating a fact. Any person driving a car in Australia has to hold a drivers licence, except the requirement to hold an open licence. Under Queensland law if a person holds a provisional drivers licence they are allowed to carry passengers in their car except for P1 licence drivers between 11pm and 5am¹. Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society.

The second of these requirements is that a person has held a licence for three years. Again, under Queensland law if a person holds a drivers licence they are allowed to carry passengers in their vehicle. The Queensland Government requirement for the licence to be held for three years is a costly constraint on supply of drivers. Particular, taxi companies may wish to set a special driving test or limit its drivers by specifying a set amount of experience. These taxi companies could use its high standard of drivers as a selling point in the market. But the Queensland Government limiting the number of drivers available for service by setting arbitrary limits on driving experience will increase to cost of delivering the service and the cost to the community.

The third requirement is that the person will have held the licence for at least twelve months continuously in the three years immediately preceding the application. The wording of this requirement is unclear and appears to be ill defined. Either the person has held their licence continuously for twelve months immediately preceding the application or they have not. It is unclear what the three years has to do with this requirement.

However, the requirement to have held a licence for twelve months continuously is a costly constraint on employment and supply of drivers. A person with a drivers licence in Queensland is allowed to carry passengers and therefore there is no difference if the driver is paid money or not. If a person lost their licence due to a driving offence but has regained their licence then they should be free to drive a taxi. Once the State Government has punished a person for an offence the punishment should stop. Continuing to punish a person after a court punishment is extending the law which could dramatically affect a person's earning capability and life in general. Taxi drivers are not rich people and rely on driving for a living. If a person losses their licence for a few months it will

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make their life difficult but the State Government not allowing that person to work for a further twelve months is cruel and costly. The person may turn to crime to live and then become a burden on the State through Police, court, prisons, housing and welfare payment.

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The current wording of this requirement is arbitrary in that it requires the Chief Executive of DTMR to assess the persons driving history to be 'suitable'. It is not clear what 'suitable' means and at what level the Chief Executive must set to allow people to drive people for money. The cost of the Chief Executive and their staff to review driver's history is not justified against the small possible benefits of limiting drivers with an unsuitable driving history. An estimate of the DTMR cost of this action is \$150 to \$200 per application or \$244,575 to \$456,540 per year or a PV of \$2.6 million to \$4.8 million.

Language skills

An applicant for taxi driver authorisation must be able to speak and understand English. All new applicants for taxi driver authorisation in major taxi service areas (areas with 35 or more taxi service licences) need to undertake an English assessment through a Registered Training Organisation (RTO) approved by the department. However, new applicants in non-major taxi service areas (areas with 34 or fewer taxi service licences) will not be required to undertake an English assessment.

This regulation appears to be discriminating against people who do not speak English and people who cannot speak at all. There is very little benefit for the State of Queensland in requiring a taxi driver to have English language skills. However, there are significant costs in DTMR and the Department of Education, Training and Employment (DETE). Due to technological advances it is possible to use free translation software on a smart phone to communicate with a person who does not speak English.

The costs are related to DETE having to certify an RTO and manage that RTO's credentials which is redirecting valuable resources from other education activities. The cost to DTMR are related to its staff having to check these requirements are met and the RTOs are certified. The cost to the applicant is \$100 fee and the time taken to complete the test which could be in the order of a half days effort (4 hours at \$50 per hour is a cost of \$200 of time per person). That is a total cost per year of \$489,150 to \$684,810 or PV of \$5.1 million to \$7.2 million.

Not Government Policy

If a person or a company feels it can communicate sufficiently with its customers and are able to attract paying customers then there is no reason why the government should stop that market transaction.

Driver training

Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course specified by the Chief Executive. This course is a five day course which costs over \$550 per person. The time cost of a person attending a five day course is \$2,000² per person.

The training course is targeted at teaching the driver about the taxi regulations, education about taxicab communications, major roads, attractions and how to carry out financial transactions. There is no clear identification why the Queensland Government requires by law that a taxi driver learn any of these particular things. The modern solutions to the past issues in the taxi industry have provided cheap and easy ways of avoiding any problems that the course is aimed at solving. Mobile phones have communication, navigation, attraction identification and simple automatic payment systems.

Individual companies may wish to get their drivers to complete a course or send them on some kind of training however, there is no reason the Queensland Government should require it by law. The cost of requiring this course is the opportunity cost of redirecting qualified trainers away from trade training and other productive forms of training and the cost to the drivers of about \$4.2 to \$5.8³ million per year or \$43.8 to \$61.3 million NPV.

Medical test

The applicant must obtain a medical certificate for a commercial vehicle driver. The medical certificate is to be obtained from a medical practitioner and assessed in accordance with the Austroads Inc publication "Assessing to Drive - For Commercial and Private Vehicle Drivers" national medical standards.

Austroads indicate the increased medical assessment for a commercial over a non-commercial driver are set due to the increased risks.

The assignment of medical standards for vehicle drivers is based on an evaluation of the driver, passenger and public safety risk, where risk = likelihood of the event x severity of consequences. Commercial vehicle crashes may present a severe threat to passengers, other road users (including pedestrians and cyclists) and residents adjacent to the road. Such crashes present potential threats in terms of spillage of chemicals, fire and other significant property damage.

² Eight hours per day multiplied by 5 days multiplied by \$50 per hour is \$2,000

³ Assumes 2 drivers per taxi licence, between 25% and 35% driver turnover, \$2,550 per course and a discount rate of 9.5%

Not Government Policy

Austrroads sets the standards for drivers as the private standards should be applied to:

1. drivers applying for or holding a licence class C (car), R (motorcycle) or LR (light rigid) unless the driver is also applying
2. for an authority or is already authorised to use the vehicle for carrying public passengers for hire or reward or for carrying
3. bulk dangerous goods, or, in some jurisdictions, for a driving instructor

The commercial standards should be applied to:

1. drivers of 'heavy vehicles', i.e. those holding or applying for a licence of class MR (medium rigid), HR (heavy rigid),
2. HC (heavy combination) or MC (multiple combination)
3. drivers carrying public passengers for hire or reward (bus drivers, taxi drivers, chauffeurs, drivers of hire cars and small buses, etc.)
4. drivers carrying bulk dangerous goods
5. drivers subject to requirements for Basic or Advanced Fatigue Management under the National Heavy Vehicle Accreditation Standard
6. other driver categories who may also be subject to the commercial vehicle standards as a result of certification requirements of the authorising body or as required by specific industry standards, for example, driving instructors and members of Trucksafe.

Using Austrroads test for risk (likelihood of the event x severity of consequences) it is not clear why a taxi driver would be at or cause any higher risk than any 'non-commercial driver' on the roads. The likelihood of a taxi driver having an accident is no higher than any non-commercial driver in any given hour of driving. Taxi drivers may be in more accidents overall, however this would be due to the large number of them as a group and the large number of hours driving. There are no restrictions on non-commercial class C drivers on the number of hours they drive, therefore all drivers could drive for as many or more than a taxi driver. The consequences of a taxi driver crashing is exactly the same as any non-commercial vehicle on the road. Therefore, there is no increased risk of a taxi driver compared to a normal class C driving licence holder. The simple requirement that a taxi driver hold an open Queensland licence will remove any risk the driver is under a conditional licence with any medical conditions.

The requirement for a special medical test of a taxi driver appears to be excessive red tape with no basis in public health or risk management. The cost of this requirement is the lost time of both the driver (\$20.83 to \$29.17⁴) and the doctors in completing the test (\$25.00 to 37.50⁵). The drivers direct cost of paying for the test would be about \$93.50⁶.

⁴ Assume travel time of 15 to 20 minutes and appointment time as 10 to 15 minutes at \$50 per hour

⁵ Assume appointment time of 10 to 15 minutes at \$150 per hour

⁶ Provided by Fiveways Medical Centre in Graceville

Not Government Policy

Table 1. Costs of a required medical test for taxi drivers⁷

	Low	High
Cost to Doctor	\$ 40,763	\$ 85,601
Cost to Drivers	\$ 186,421	\$ 280,011
Total Annual Cost	\$ 227,183	\$ 365,612
NPV	\$ 2,391,400	\$ 3,848,552

These costs do not include the opportunity cost of a doctor missing valuable time treating people with medical conditions due to taking time to test a taxi driver's ability to drive a car. Queensland doctors are spending at least 54 to 114⁸ working weeks⁹ per year on the driving medical test for taxi drivers.

Bailment agreement

Operators of taxi services must ensure a written taxi service bailment agreement is entered into with an authorised driver before permitting them to drive a taxi. Bailment describes a legal relationship in common law where physical possession of personal property, or a chattel, is transferred from one person (the 'bailor') to another person (the 'bailee') who subsequently has possession of the property.

The DTMR explanation of what is required in the bailment agreement indicates the key issues are insurance and employment conditions. Individual companies may wish to implement a form of contract with the drivers but it is not clear why the Queensland Government would require a special agreement. All companies in Queensland already pay a workers compensation premium to the Queensland Department of Work Place Health and Safety. The taxi premium is currently \$2.287 per \$100 of wages as stated in the 6 June 2014 Queensland Government Gazette No. 34.

The employment contract between a taxi company and a driver should be a private contract which is regulated under the same requirements as any other employment contract. Disputes between drivers and taxi companies would be dealt with by the Fair Work Ombudsman or a range of other agencies¹⁰. The cost of this requirement are the time to complete and submit the form, gaining independent legal advice and processing and storing agreements in DTMR.

Cost to each driver for completing the form and gaining legal advice is estimated at \$800¹¹, the cost to the taxi company is about \$150¹² and the cost to DTMR is estimated at \$200¹³ per application. The

⁷ Assume new drivers are 25% (1,631) to 35% (2,283) of total drivers per year, there are two drivers per taxi licence and the discount rate is 9.5%

⁸ Allowing 10 to 15 minutes per test

⁹ Assume a 5 day working week

¹⁰ <http://www.complaints.qld.gov.au/>

¹¹ Assume one hour to fill in form, two hours to submit form including travel, three hours of time for legal advice and \$500 for legal advice.

¹² Assume one hour to fill in form, two hours to submit form

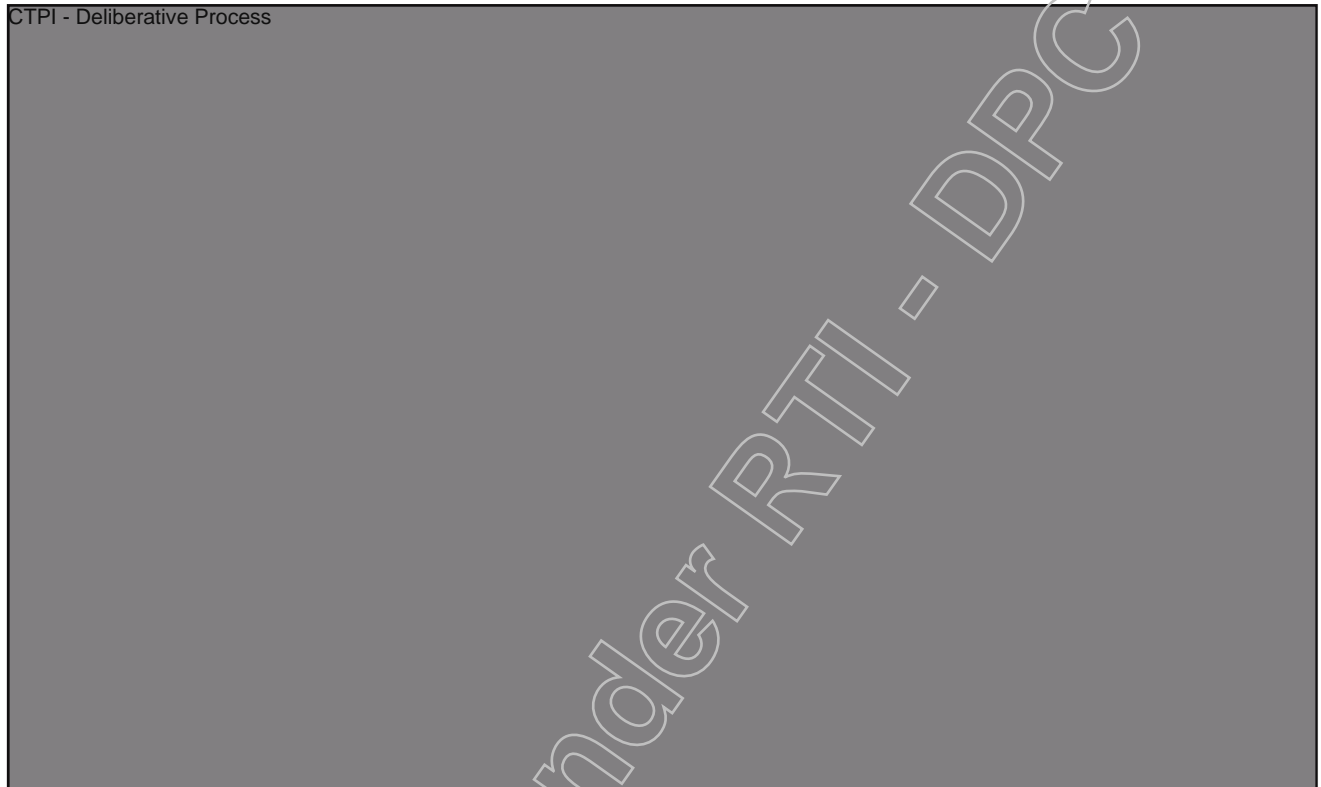
¹³ Assume two hours of time managing and accessing the form and the cost of storage and review

Not Government Policy

total cost per application is estimated at \$1,150 which is a total of \$2 million per year or NPV of \$21 million¹⁴.

Driver authorisation conclusion

CTPI - Deliberative Process



Removal of regulation on taxis in Queensland

The largest cost of taxi regulations in Queensland are related to the limit on supply of taxi licences. There are direct costs of around \$237 million per year or PV of \$2.5 billion due to higher fares than otherwise required. The other related cost are the deadweight loss, reduced tourism, increase in driving under the influence and increased congestion.

Theory of the cost of supply constraints

Economic theory provides a clear understanding of the costs associated when governments restrict the supply of goods or services. As shown in graph one below, the price will increase, there will be a deadweight loss¹⁶, consumers will have reduced wealth and producers will have an increase in wealth.

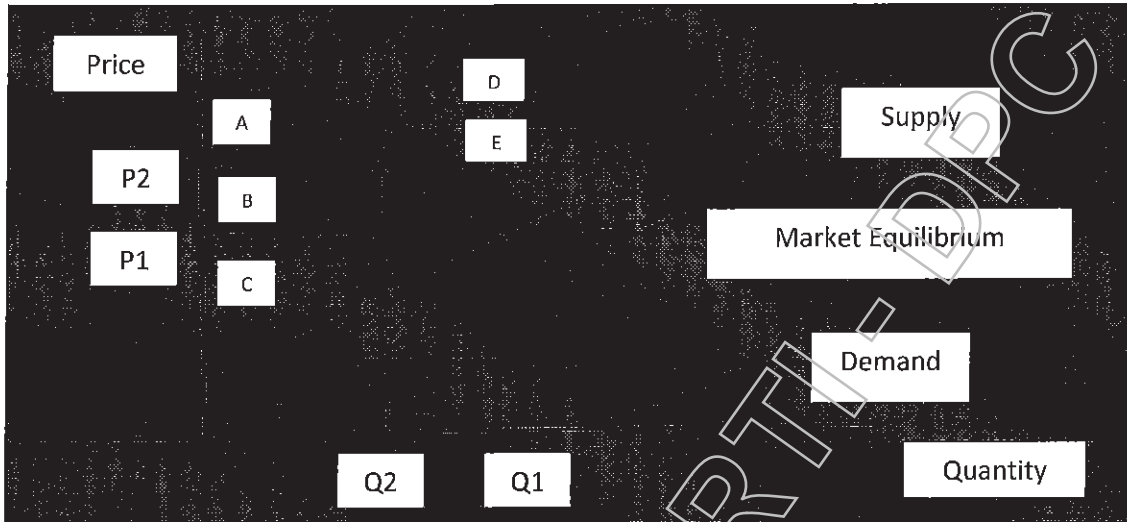
¹⁴ Assume a discount rate of 9.5%

¹⁵ <http://www.blackandwhitecabs.com.au/?q=brisbane/Becoming-a-Driver>

¹⁶ Activity that does not happen that could have if the constraint did not exist.

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Graph 1. Economic theory of supply constraint costs

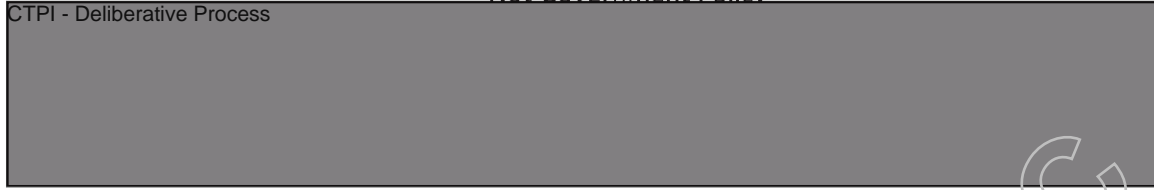


Source: Premiers, 2015.

The governments supply restriction will reduce the quantity supplied from Q1 to Q2 which increases the price from P1 to P2. The move away from the market equilibrium point will redistribute consumer surplus (CS) and producer surplus (PS). The original CS = A + B + D and PS = C + E, however after the supply constraint the CS = A and PS = C + B. That is the producers have captured a portion of the consumers surplus through the ability to charge above market prices at a low level of supply. The deadweight loss after the supply constraint is D + E which is the area of economic activity that will not occur due to the restriction on supply.

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CTPI - Deliberative Process



Released under RTI - DPC

Not Government Policy

Economics of Taxi Deregulation in Queensland

Queensland Governments have developed a raft of taxi industry regulations over many years in an effort to ensure the safe and comfortable transport of the general public and to assist an emerging taxi industry. However, in the modern world many of these historic regulations have become inefficient, unrequired and costly to the general public. Modern mobile technology has provided innovation in the taxi industry to ensure all passengers are safe and happy with their chosen transport service.

There are many regulations on the current taxi and private hire vehicle drivers however, this paper will only examine three particular issues, including:

1. Driver authorisations
2. Vehicle safety requirements and
3. Taxi licences

Driver authorisations

What is a driver authorisation?

The Transport Operations (Passenger Transport) Act 1994 requires, with some exceptions, drivers of motor vehicles that are used to provide public passenger services to hold driver authorisation. Driver authorisation is a qualification that a driver of a motor vehicle providing a public passenger service must attain and maintain to operate the vehicle.

The stated purpose of driver authorisation is to ensure drivers of public passenger vehicles are suitable persons, having regard to the safety of children and other vulnerable members of the community, the personal safety of passengers and their property, public safety and the reputation of public passenger transport. The requirements for obtaining a drivers authorisation are:

1. Minimum age of 20 years old
2. Entitlement to work in Australia
3. Pass a criminal history check
4. Hold a current Australian open drivers licence
5. Held an open or provisional driver licence (Australian or overseas) continuously for at least three years for a car, truck or bus
6. In addition, the applicant must— have held an Australian driver licence (other than a learner licence) for at least 12 months continuously in the three years immediately preceding the application
7. An applicant for taxi driver authorisation must be able to speak and understand English.
8. Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course
9. Operators of taxi services must ensure a written taxi service bailment agreement

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Minimum age

Applicants for taxi driver authorisation must be at least 20 years of age before their application can be accepted by the Department of Transport and Main Roads.

Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society. Australian citizens over the age of 17 are able to join the Australian Defence Force and take cars, trucks, tanks, weapons and aircraft into battle; however these same people cannot drive a taxi in Queensland.

The cost to the Queensland economy is difficult to measure however would be related to increased youth unemployment, reduced standard of living and increased cost of operations for the taxis.

Entitlement to work in Australia

Applicants for driver authorisation or renewal of driver authorisation must provide documentary proof of their entitlement to work in Australia.

This specification appears to be a statement of fact. Everyone who works in Australia has to have the entitlement to work in Australia. Managing working visas in Australia is the responsibility of the Federal Department of Immigration and Border Protection not the Queensland Department of Transport and Main Roads (DTMR).

The cost of DTMR managing and regulating this requirement is an unnecessary burden on the Queensland tax payer.

Criminal History

The applicant must have a satisfactory criminal history record having regard to the safety of children and other vulnerable members of the community, as well as the personal safety of passengers and their property.

Punishment is not for revenge, but to lessen crime and reform the criminal. - Elizabeth Fry

People in Australia who break the law and are charged are dealt with by the Australian and or State legal system. Once the person has paid their fine or completed their time in prison they have completed their legally required payment for breaking the government's laws.

The government continuing to impinge on a person's life after they have completed the original punishment is contrary to the basis for the Australian legal system and society. Driving a taxi is a very basic low level of skill job which is a perfect job for a person with a criminal history. The government using its power to stop people with a criminal history gaining employment will only further increase recidivism. Holding people in gaol is very costly both in direct government payments and in lost productivity.

Not Government Policy

Individual taxi companies may wish to check a person's criminal history and some may actually be able to maintain a high standard of driver as a selling point of its service. However, it is not reasonable for the State Government to stop people from working because of a past criminal act.

Drivers licence

Driver authorisations require a person to hold an open Australian drivers licence, have held that licence (or provisional licence) for at least three years and held that licence for at least twelve months continuously in the three years immediately preceding the application.

The first of these requirements appears to be stating a fact. Any person driving a car in Australia has to hold a drivers licence, except the requirement to hold an open licence. Under Queensland law if a person holds a provisional drivers licence they are allowed to carry passengers in their car except for P1 licence drivers between 11pm and 5am¹. Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society.

The second of these requirements is that a person has held a licence for three years. Again, under Queensland law if a person holds a drivers licence they are allowed to carry passengers in their vehicle. The Queensland Government requirement for the licence to be held for three years is a costly constraint on supply of drivers. Particular, taxi companies may wish to set a special driving test or limit its drivers by specifying a set amount of experience. These taxi companies could use its high standard of drivers as a selling point in the market. But the Queensland Government limiting the number of drivers available for service by setting arbitrary limits on driving experience will increase to cost of delivering the service and the cost to the community.

The third requirement is that the person will have held the licence for at least twelve months continuously in the three years immediately preceding the application. The wording of this requirement is unclear and appears to be ill defined. Either the person has held their licence continuously for twelve months immediately preceding the application or they have not. It is unclear what the three years has to do with this requirement.

However, the requirement to have held a licence for twelve months continuously is a costly constraint on employment and supply of drivers. A person with a drivers licence in Queensland is allowed to carry passengers and therefore there is no difference if the driver is paid money or not. If a person lost their licence due to a driving offence but has regained their licence then they should be free to drive a taxi. Once the State Government has punished a person for an offence the punishment should stop. Continuing to punish a person after a court punishment is extending the law which could dramatically affect a person's earning capability and life in general. Taxi drivers are not rich people and rely on driving for a living. If a person loses their licence for a few months it will

¹ If you are driving on a P1 licence between 11pm and 5am, and you are under 25, you can only carry 1 passenger under the age of 21 who is not an immediate family member. <https://www.qld.gov.au/transport/licensing/driver-licensing/applying/provisional/restrictions/index.html>

Not Government Policy

make their life difficult but the State Government not allowing that person to work for a further twelve months is cruel and costly. The person may turn to crime to live and then become a burden on the State through Police, court, prisons, housing and welfare payment.

Driving history

The applicant must have a driving history that the chief executive, Department of Transport and Main Roads, considers is suitable to hold driver authorisation.

This requirement is arbitrary and costly constraint on the supply of taxi drivers. If a person is licenced to drive in Queensland then they are allowed to carry passengers. Individual companies may wish to investigate a driver's history before hiring that person but it is not clear why the State Government would be concerned with this issue. The State Government has provided that person a licence that allows them to drive anywhere in Australia carrying passengers. Either that person is capable of driving or they are not.

The current wording of this requirement is arbitrary in that it requires the Chief Executive of DTMR to assess the persons driving history to be 'suitable'. It is not clear what 'suitable' means and at what level the Chief Executive must set to allow people to drive people for money. The cost of the Chief Executive and their staff to review driver's history is not justified against the small possible benefits of limiting drivers with an unsuitable driving history. An estimate of the DTMR cost of this action is \$150 to \$200 per application or \$0.5 million to \$0.9 million per year or a PV of \$5.1 million to \$9.5 million.

Language skills

An applicant for taxi driver authorisation must be able to speak and understand English. All new applicants for taxi driver authorisation in major taxi service areas (areas with 35 or more taxi service licences) need to undertake an English assessment through a Registered Training Organisation (RTO) approved by the department. However, new applicants in non-major taxi service areas (areas with 34 or fewer taxi service licences) will not be required to undertake an English assessment.

This regulation appears to be discriminating against people who do not speak English and people who cannot speak at all. There is very little benefit for the State of Queensland in requiring a taxi driver to have English language skills. However, there are significant costs in DTMR and the Department of Education, Training and Employment (DETE). Due to technological advances it is possible to use free translation software on a smart phone to communicate with a person who does not speak English.

The costs are related to DETE having to certify an RTO and manage that RTO's credentials which is redirecting valuable resources from other education activities. The cost to DTMR are related to its staff having to check these requirements are met and the RTOs are certified. The cost to the applicant is \$100 fee and the time taken to complete the test which could be in the order of a half days effort (4 hours at \$50 per hour is a cost of \$200 of time per person). That is a total cost per year of \$0.97 million to \$1.4 million or PV of \$10.2 million to \$14.3 million.

Not Government Policy

If a person or a company feels it can communicate sufficiently with its customers and are able to attract paying customers then there is no reason why the government should stop that market transaction.

Driver training

Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course specified by the Chief Executive. This course is a five day course which costs over \$550 per person. The time cost of a person attending a five day course is \$2,000² per person.

The training course is targeted at teaching the driver about the taxi regulations, education about taxicab communications, major roads, attractions and how to carry out financial transactions. There is no clear identification why the Queensland Government requires by law that a taxi driver learn any of these particular things. The modern solutions to the past issues in the taxi industry have provided cheap and easy ways of avoiding any problems that the course is aimed at solving. Mobile phones have communication, navigation, attraction identification and simple automatic payment systems.

Individual companies may wish to get their drivers to complete a course or send them on some kind of training however, there is no reason the Queensland Government should require it by law. The cost of requiring this course is the opportunity cost of redirecting qualified trainers away from trade training and other productive forms of training and the cost to the drivers of about \$8.3 million to \$11.5³ million per year or PV of \$86.8 million to \$121.6 million.

Medical test

The applicant must obtain a medical certificate for a commercial vehicle driver. The medical certificate is to be obtained from a medical practitioner and assessed in accordance with the Austroads Inc publication "Assessing to Drive – For Commercial and Private Vehicle Drivers" national medical standards.

Austroads indicate the increased medical assessment for a commercial over a non-commercial driver are set due to the increased risks:

The assignment of medical standards for vehicle drivers is based on an evaluation of the driver, passenger and public safety risk, where risk = likelihood of the event x severity of consequences. Commercial vehicle crashes may present a severe threat to passengers, other road users (including pedestrians and cyclists) and residents adjacent to the road. Such crashes present potential threats in terms of spillage of chemicals, fire and other significant property damage.

² Eight hours per day multiplied by 5 days multiplied by \$50 per hour is \$2,000

³ Assumes 2 drivers per taxi licence, between 25% and 35% driver turnover, \$2,550 per course and a discount rate of 9.5%

Not Government Policy

Austrroads sets the standards for drivers as the private standards should be applied to:

1. drivers applying for or holding a licence class C (car), R (motorcycle) or LR (light rigid) unless the driver is also applying
2. for an authority or is already authorised to use the vehicle for carrying public passengers for hire or reward or for carrying
3. bulk dangerous goods, or, in some jurisdictions, for a driving instructor.

The commercial standards should be applied to:

1. drivers of 'heavy vehicles', i.e. those holding or applying for a licence of class MR (medium rigid), HR (heavy rigid),
2. HC (heavy combination) or MC (multiple combination)
3. drivers carrying public passengers for hire or reward (bus drivers, taxi drivers, chauffeurs, drivers of hire cars and small buses, etc.)
4. drivers carrying bulk dangerous goods
5. drivers subject to requirements for Basic or Advanced Fatigue Management under the National Heavy Vehicle Accreditation Standard
6. other driver categories who may also be subject to the commercial vehicle standards as a result of certification requirements of the authorising body or as required by specific industry standards, for example, driving instructors and members of Trucksafe.

Using Austrroads test for risk (likelihood of the event x severity of consequences) it is not clear why a taxi driver would be at or cause any higher risk than any 'non-commercial driver' on the roads. The likelihood of a taxi driver having an accident is no higher than any non-commercial driver in any given hour of driving. Taxi drivers may be in more accidents overall, however this would be due to the large number of them as a group and the large number of hours driving. There are no restrictions on non-commercial class C drivers on the number of hours they drive, therefore all drivers could drive for as many or more than a taxi driver. The consequences of a taxi driver crashing is exactly the same as any non-commercial vehicle on the road. Therefore, there is no increased risk of a taxi driver compared to a normal class C driving licence holder. The simple requirement that a taxi driver hold an open Queensland licence will remove any risk the driver is under a conditional licence with any medical conditions.

The requirement for a special medical test of a taxi driver appears to be excessive red tape with no basis in public health or risk management. The cost of this requirement is the lost time of both the driver (\$20.83 to \$29.17⁴) and the doctors in completing the test (\$25.00 to 37.50⁵). The drivers direct cost of paying for the test would be about \$93.50⁶.

⁴ Assume travel time of 15 to 20 minutes and appointment time as 10 to 15 minutes at \$50 per hour

⁵ Assume appointment time of 10 to 15 minutes at \$150 per hour

⁶ Provided by Fiveways Medical Centre in Graceville

Not Government Policy

Table 1. Costs of a required medical test for taxi drivers⁷

	Low	High
Cost to Doctor	\$ 80,881	\$ 169,851
Cost to Drivers	\$ 369,897	\$ 555,600
Total Annual Cost	\$ 450,778	\$ 725,451
NPV	\$ 4,745,033	\$ 7,636,325

Sources: Premiers, 2015.

These costs do not include the opportunity cost of a doctor missing valuable time treating people with medical conditions due to taking time to test a taxi driver's ability to drive a car. Queensland doctors are spending at least 13 to 28⁸ working weeks⁹ per year on the driving medical test for taxi drivers.

Bailment agreement

Operators of taxi services must ensure a written taxi service bailment agreement is entered into with an authorised driver before permitting them to drive a taxi. Bailment describes a legal relationship in common law where physical possession of personal property, or a chattel, is transferred from one person (the 'bailor') to another person (the 'bailee') who subsequently has possession of the property.

The DTMR explanation of what is required in the bailment agreement indicates the key issues are insurance and employment conditions. Individual companies may wish to implement a form of contract with the drivers but it is not clear why the Queensland Government would require a special agreement. All companies in Queensland already pay a workers compensation premium to the Queensland Department of Work Place Health and Safety. The taxi premium is currently \$2.287 per \$100 of wages as stated in the 6 June 2014 Queensland Government Gazette No. 34.

The employment contract between a taxi company and a driver should be a private contract which is regulated under the same requirements as any other employment contract. Disputes between drivers and taxi companies would be dealt with by the Fair Work Ombudsman or a range of other agencies¹⁰. The cost of this requirement are the time to complete and submit the form, gaining independent legal advice and processing and storing agreements in DTMR.

⁷ Assume new drivers are 25% (3,235) to 35% (4,529) of total drivers per year, there are two drivers per taxi licence and the discount rate is 9.5%

⁸ Allowing 10 to 15 minutes per test

⁹ Assume a 5 day working week

¹⁰ <http://www.complaints.qld.gov.au/>

Not Government Policy

Cost to each driver for completing the form and gaining legal advice is estimated at \$800¹¹, the cost to the taxi company is about \$150¹² and the cost to DTMR is estimated at \$200¹³ per application. The total cost per application is estimated at \$1,150 which is a total of \$3.9 million per year or NPV of \$41.2 million¹⁴.

Driver authorisation conclusion

CTPI - Deliberative Process



¹¹ Assume one hour to fill in form, two hours to submit form including travel, three hours of time for legal advice and \$500 for legal advice.

¹² Assume one hour to fill in form, two hours to submit form

¹³ Assume two hours of time managing and accessing the form and the cost of storage and review

¹⁴ Assume a discount rate of 9.5%

¹⁵ <http://www.blackandwhitecabs.com.au/?q=brisbane/Becoming-a-Driver>

Not Government Policy

Vehicle safety requirements

The Queensland Transport Operations Regulation 2005¹⁶ there are a range of taxi related vehicle safety related regulations, including:

1. The chief executive may require the operator of a public passenger vehicle to get an inspection
2. An operator of a public passenger vehicle must ensure the vehicle is in a safe condition when it is being used to provide a public passenger service.
3. Passengers must have control over the opening and shutting of the vehicle's doors independently of the driver.
4. A taxi must be constructed, or have a safety partition or some other equipment fitted, to prevent luggage or other goods being carried in the luggage compartment of the vehicle from entering the passenger compartment.
5. If luggage is carried in the passenger compartment—be constructed, or have equipment fitted, to secure the luggage
6. A taxi vehicle cannot be more than six years old.
7. Taxis must be fitted with the following:
 - a. a green distress light;
 - b. a hail light;
 - c. a child restraint anchorage bolt.
8. Type of vehicle: forward-control passenger vehicle; passenger car, off-road passenger vehicle or schedule 4 vehicle light bus having up to 12 seating positions, including the driver's position.

The current vehicle safety requirements fit into two categories; one is required by all vehicles and the second is unreasonable. The first three requirements above fit into the first category of required by all vehicles. The Chief Executive can require any vehicle to be inspected as stated in Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010¹⁷. An operator of any vehicle must ensure the vehicle is in a safe condition at all times. There are very few vehicles if any in Australia that do not allow the passengers to operate the door locks.

The next five vehicle safety requirements fit into the second category of not reasonable. There is no rational reason that a taxi vehicle should have any different safety equipment or meet any higher level of safety than required for all other road vehicles. The safety of all Australian citizens is as important as the drivers or passengers of taxi vehicles. Special requirements for the carriage of luggage for taxi vehicles has no basis in real safety requirements as the luggage in a non-taxi vehicle is just as dangerous as the luggage in a taxi. The fact the driver is paid for the use of the vehicle does not increase the risk of personal injury from luggage. There are already rules about the safe

¹⁶ Transport Operations (Passenger Transport) Act 1994 Transport Operations (Passenger Transport) Regulation 2005, Current as at 1 January 2015

¹⁷ Transport Operations (Road Use Management) Act 1995, Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010, Current as at 1 January 2015

Not Government Policy

restraining of loads for all vehicles which is reasonable and all taxi vehicles will be required to meet these regulations. The cost of special requirements could be significant for each vehicle as special fixtures will need to be added to the vehicle and approved by DTMR.

The current taxi vehicle safety requirements related to a distress light, a hail light and a child restraint anchorage bolt are unreasonable and can create significant costs. All vehicles on the road are fitted with hazard lights which is considered reasonable level of safety for the general public. There is no reason why a taxi should meet a higher safety level. Most vehicles are fitted with a child restraint anchorage bolt as standard however, there is no need for a taxi to require a bolt. The road rules specify the requirements for carriage of a child in a child restraint, there is no reason why a taxi should have to carry a child if it is not fitted with the required equipment. The installation of a bolt in a vehicle is about \$280 for one point and \$380 for two points¹⁸ plus a day off the road for the vehicle and about three hours of time (about \$1,000) per vehicle.

The requirement to only use a certain type of vehicle is unreasonable constraint on the market with no safety aspect.

The highest cost taxi vehicle safety requirement is that the vehicle should be no more than six years old. There is no extra safety related to a vehicle that is less than six years of age compared to all other vehicles on the road. If the vehicle is safe enough for the general public to operate on public roads then it is safe enough for the use as a taxi vehicle. Picture 1 below demonstrates a vehicle which is in very good working condition and is allowed to operate on Queensland roads carrying up to four passengers but would not be allowed to be used as a taxi.

Picture 1. 2006 Holden Commodore VE SS



Source: CarSales.com.au¹⁹

¹⁸ Barryan Accessory Fitting 8 Seashell Drive, Deception Bay QLD 4508 T: 07 3203 2002

¹⁹ <http://www.carsales.com.au/private/details/Holden-Commodore-2006/SSE-AD-3139058/>

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The highest cost of this restriction is the increase in required fares due to the high level of depreciation.

Table 3. Increase in depreciation of a \$50,000 taxi due to limited life²⁰

	Annual Depreciation	Increase in Annual Depreciation	Increase in Annual Depreciation for All Taxis in Queensland	PV for All Taxis in Queensland
Six years	\$ 8,333			
Eight years	\$ 6,250	\$ 2,083	\$ 6,445,833	\$ 67,850,877
Ten years	\$ 5,000	\$ 3,333	\$ 10,313,333	\$ 108,561,404
Twelve years	\$ 4,167	\$ 4,167	\$ 12,891,667	\$ 135,701,754

Source: Premiers, 2015.

The increase in depreciation costs will be passed on to the consumers through higher taxi fares or reduced revenue for licence owners and or drivers.

Limited taxi licences in Queensland

The largest cost of taxi regulations in Queensland are related to the limit on supply of taxi licences. There are direct costs of around \$237 million per year or PV of \$2.5 billion due to higher fares than otherwise required. The other related cost are the deadweight loss, reduced tourism, increase in driving under the influence and increased congestion.

Theory of the cost of supply constraints

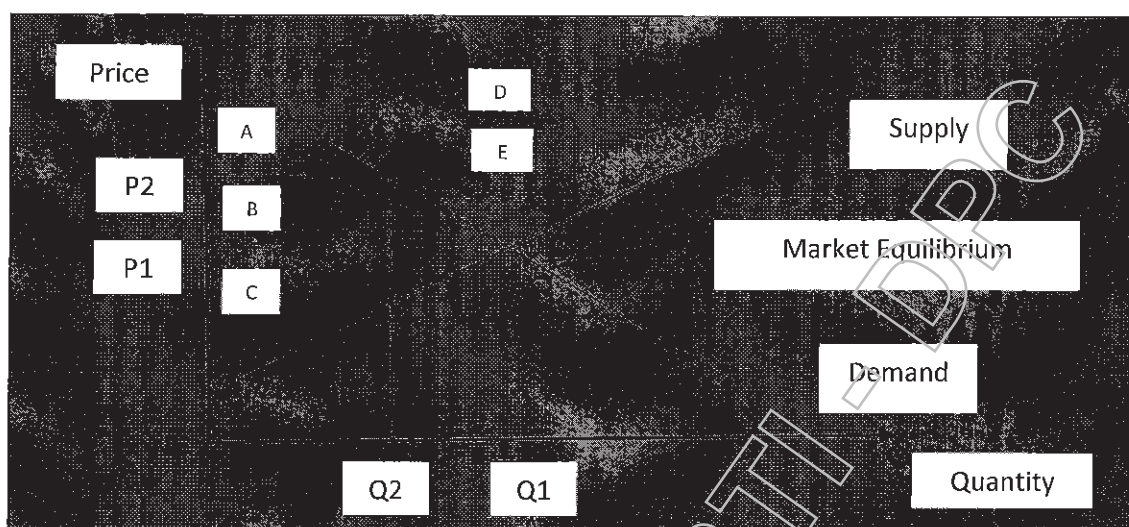
Economic theory provides a clear understanding of the costs associated when governments restrict the supply of goods or services. As shown in graph one below, the price will increase, there will be a deadweight loss²¹, consumers will have reduced wealth and producers will have an increase in wealth.

²⁰ Straight line depreciation assumed, the PV discount rate is 9.5%

²¹ Activity that does not happen that could have if the constraint did not exist.

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Graph 1. Economic theory of supply constraint costs



Source: *Premiers, 2015.*

The governments supply restriction will reduce the quantity supplied from Q_1 to Q_2 which increases the price from P_1 to P_2 . The move away from the market equilibrium point will redistribute consumer surplus (CS) and producer surplus (PS). The original $CS = A + B + D$ and $PS = C + E$, however after the supply constraint the $CS = A$ and $PS = C + B$. That is the producers have captured a portion of the consumers surplus through the ability to charge above market prices at a low level of supply. The deadweight loss after the supply constraint is $D + E$ which is the area of economic activity that will not occur due to the restriction on supply.

Measuring the actual size of all the different areas of market changes due to the government's restriction on supply is difficult. The area B or the CS captured by producers due to the government's supply constraint is estimated by the required returns on the asset value of owning a taxi licence. Using a typical regulatory pricing model the extra returns required due to the taxi licence value is approximately 30% of the entire required revenue of taxi companies. There are many assumptions included in this price estimate and very little actual data provided to underpin the model. However, the current taxi licence cost in Queensland is approximately \$510,000 which an owner would require a return on capital of between 10% (\$51,000) and 15% (\$76,000) per year per licence. That is a cost of \$187.2 million to \$280.8 million per year (PV \$1.97 billion to \$2.96 billion) of CS reallocated from the general public to taxi licence owners through increased fares for the public and increased profits for taxi licence owners. The total modelled reduced cost to consumers is estimated at \$262.5 million per year or PV of \$2.76 billion.

Deadweight loss is difficult to measure however the related negative externalities are evident in many sectors of the Queensland economy. The major negative externalities are related to:

1. Decrease in tourism
2. Increase in driving under the influence

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3. Increased congestion and
4. Reduced economic activity.

Tourism is decreased due to the high cost and lack of availability of taxi services reducing the ability for tourists to travel into and around tourist areas²². People who wish to travel to and from social events are forced to either not drink or to pay very large taxi fares while experiencing long waiting times. Therefore, the incentive is for people to take more risk in deciding to drive even though they have consumed some alcohol. The negative effects of this incentive are clear and are directly related to the government's restriction on taxi licences. Congestion on the roads in Queensland is very high and is only increased by the limitations placed on taxi licences. In a free market for taxis any person could purchase a vehicle and charge passengers for a trip. In this case a person driving to work could charge people in their street to travel in their car to work with no extra cost by increased revenue. Therefore, the people traveling in that vehicle would not driver their own car or take public transport which would reduce congestion.

There are many other related costs through lost economic activity that are difficult to prove or measure but are evident to an economist. The evidence of the negative effects of government restrictions on supply of goods and services can be seen in past market constraints. Russia is a clear example of the government controlling the market which causes costs on the economy. Pictures two and three below are examples of people lining up to get access to food goods due to the Soviet Russian government controlling the supply of goods and services.

Picture 2. Siberians line up outside a shop in Novokuznetsk, Russia



²² Advice provided by a hotel owner and members of the Southern Gold Coast Chamber of Commerce

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Picture 3. Hindered by centralised market forces: A long queue forms in Novokuznetsk for bacon and other meat from the butcher at a state-run market



Pictures two and three above are similar to the lines now experienced by people in Queensland when trying to catch a taxi in picture four below.

Picture 4. Taxi lines in Brisbane



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Released under RTI - DPC

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Economics of Taxi Deregulation in Queensland

Queensland Governments have developed a raft of taxi industry regulations over many years in an effort to ensure the safe and comfortable transport of the general public and to assist an emerging taxi industry. However, in the modern world many of these historic regulations have become inefficient, unrequired and costly to the general public. Modern mobile technology has provided innovation in the taxi industry to ensure all passengers are safe and happy with their chosen transport service.

There are many regulations on the current taxi and private hire vehicle drivers however, this paper will only examine three particular issues, including:

1. Driver authorisations
2. Vehicle safety requirements and
3. Taxi licences

Driver authorisations

What is a driver authorisation?

The Transport Operations (Passenger Transport) Act 1994 requires, with some exceptions, drivers of motor vehicles that are used to provide public passenger services to hold driver authorisation. Driver authorisation is a qualification that a driver of a motor vehicle providing a public passenger service must attain and maintain to operate the vehicle.

The stated purpose of driver authorisation is to ensure drivers of public passenger vehicles are suitable persons, having regard to the safety of children and other vulnerable members of the community, the personal safety of passengers and their property, public safety and the reputation of public passenger transport. The requirements for obtaining a drivers authorisation are:

1. Minimum age of 20 years old
2. Entitlement to work in Australia
3. Pass a criminal history check
4. Hold a current Australian open drivers licence
5. Held an open or provisional driver licence (Australian or overseas) continuously for at least three years for a car, truck or bus
6. In addition, the applicant must— have held an Australian driver licence (other than a learner licence) for at least 12 months continuously in the three years immediately preceding the application
7. An applicant for taxi driver authorisation must be able to speak and understand English.
8. Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course
9. Operators of taxi services must ensure a written taxi service bailment agreement

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Minimum age

Applicants for taxi driver authorisation must be at least 20 years of age before their application can be accepted by the Department of Transport and Main Roads.

Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society. Australian citizens over the age of 17 are able to join the Australian Defence Force and take cars, trucks, tanks, weapons and aircraft into battle; however these same people cannot drive a taxi in Queensland.

The cost to the Queensland economy is difficult to measure however would be related to increased youth unemployment, reduced standard of living and increased cost of operations for the taxis.

Entitlement to work in Australia

Applicants for driver authorisation or renewal of driver authorisation must provide documentary proof of their entitlement to work in Australia.

This specification appears to be a statement of fact. Everyone who works in Australia has to have the entitlement to work in Australia. Managing working visas in Australia is the responsibility of the Federal Department of Immigration and Border Protection not the Queensland Department of Transport and Main Roads (DTMR).

The cost of DTMR managing and regulating this requirement is an unnecessary burden on the Queensland tax payer.

Criminal History

The applicant must have a satisfactory criminal history record having regard to the safety of children and other vulnerable members of the community, as well as the personal safety of passengers and their property.

Punishment is not for revenge, but to lessen crime and reform the criminal. - Elizabeth Fry

People in Australia who break the law and are charged are dealt with by the Australian and or State legal system. Once the person has paid their fine or completed their time in prison they have completed their legally required payment for breaking the government's laws.

The government continuing to impinge on a person's life after they have completed the original punishment is contrary to the basis for the Australian legal system and society. Driving a taxi is a very basic low level of skill job which is a perfect job for a person with a criminal history. The government using its power to stop people with a criminal history gaining employment will only further increase recidivism. Holding people in gaol is very costly both in direct government payments and in lost productivity.

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Individual taxi companies may wish to check a person's criminal history and some may actually be able to maintain a high standard of driver as a selling point of its service. However, it is not reasonable for the State Government to stop people from working because of a past criminal act.

Drivers licence

Driver authorisations require a person to hold an open Australian drivers licence, have held that licence (or provisional licence) for at least three years and held that licence for at least twelve months continuously in the three years immediately preceding the application.

The first of these requirements appears to be stating a fact. Any person driving a car in Australia has to hold a drivers licence, except the requirement to hold an open licence. Under Queensland law if a person holds a provisional drivers licence they are allowed to carry passengers in their car except for P1 licence drivers between 11pm and 5am¹. Driving taxis is a very simple low skilled job which is particularly suited to young people including students. The State Government stopping young people from gaining employment just because they are young is costly to the economy and ignores the capability of young people in our society.

The second of these requirements is that a person has held a licence for three years. Again, under Queensland law if a person holds a drivers licence they are allowed to carry passengers in their vehicle. The Queensland Government requirement for the licence to be held for three years is a costly constraint on supply of drivers. Particular, taxi companies may wish to set a special driving test or limit its drivers by specifying a set amount of experience. These taxi companies could use its high standard of drivers as a selling point in the market. But the Queensland Government limiting the number of drivers available for service by setting arbitrary limits on driving experience will increase to cost of delivering the service and the cost to the community.

The third requirement is that the person will have held the licence for at least twelve months continuously in the three years immediately preceding the application. The wording of this requirement is unclear and appears to be ill defined. Either the person has held their licence continuously for twelve months immediately preceding the application or they have not. It is unclear what the three years has to do with this requirement.

However, the requirement to have held a licence for twelve months continuously is a costly constraint on employment and supply of drivers. A person with a drivers licence in Queensland is allowed to carry passengers and therefore there is no difference if the driver is paid money or not. If a person lost their licence due to a driving offence but has regained their licence then they should be free to drive a taxi. Once the State Government has punished a person for an offence the punishment should stop. Continuing to punish a person after a court punishment is extending the law which could dramatically affect a person's earning capability and life in general. Taxi drivers are not rich people and rely on driving for a living. If a person losses their licence for a few months it will

¹ If you are driving on a P1 licence between 11pm and 5am, and you are under 25, you can only carry 1 passenger under the age of 21 who is not an immediate family member. <https://www.qld.gov.au/transport/licensing/driver-licensing/applying/provisional/restrictions/index.html>

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make their life difficult but the State Government not allowing that person to work for a further twelve months is cruel and costly. The person may turn to crime to live and then become a burden on the State through Police, court, prisons, housing and welfare payment.

Driving history

The applicant must have a driving history that the chief executive, Department of Transport and Main Roads, considers is suitable to hold driver authorisation.

This requirement is arbitrary and costly constraint on the supply of taxi drivers. If a person is licenced to drive in Queensland then they are allowed to carry passengers. Individual companies may wish to investigate a driver's history before hiring that person but it is not clear why the State Government would be concerned with this issue. The State Government has provided that person a licence that allows them to drive anywhere in Australia carrying passengers. Either that person is capable of driving or they are not.

The current wording of this requirement is arbitrary in that it requires the Chief Executive of DTMR to assess the persons driving history to be 'suitable'. It is not clear what 'suitable' means and at what level the Chief Executive must set to allow people to drive people for money. The cost of the Chief Executive and their staff to review driver's history is not justified against the small possible benefits of limiting drivers with an unsuitable driving history. An estimate of the DTMR cost of this action is \$150 to \$200 per application or \$0.5 million to \$0.9 million per year or a PV of \$5.1 million to \$9.5 million.

Language skills

An applicant for taxi driver authorisation must be able to speak and understand English. All new applicants for taxi driver authorisation in major taxi service areas (areas with 35 or more taxi service licences) need to undertake an English assessment through a Registered Training Organisation (RTO) approved by the department. However, new applicants in non-major taxi service areas (areas with 34 or fewer taxi service licences) will not be required to undertake an English assessment.

This regulation appears to be discriminating against people who do not speak English and people who cannot speak at all. There is very little benefit for the State of Queensland in requiring a taxi driver to have English language skills. However, there are significant costs in DTMR and the Department of Education, Training and Employment (DETE). Due to technological advances it is possible to use free translation software on a smart phone to communicate with a person who does not speak English.

The costs are related to DETE having to certify an RTO and manage that RTO's credentials which is redirecting valuable resources from other education activities. The cost to DTMR are related to its staff having to check these requirements are met and the RTOs are certified. The cost to the applicant is \$100 fee and the time taken to complete the test which could be in the order of a half days effort (4 hours at \$50 per hour is a cost of \$200 of time per person). That is a total cost per year of \$0.97 million to \$1.4 million or PV of \$10.2 million to \$14.3 million.

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If a person or a company feels it can communicate sufficiently with its customers and are able to attract paying customers then there is no reason why the government should stop that market transaction.

Driver training

Under section 20C of the Transport Operations (Passenger Transport) Regulation 2005, applicants for taxi driver authorisation are required to have successfully completed a training course specified by the Chief Executive. This course is a five day course which costs over \$550 per person. The time cost of a person attending a five day course is \$2,000² per person.

The training course is targeted at teaching the driver about the taxi regulations, education about taxicab communications, major roads, attractions and how to carry out financial transactions. There is no clear identification why the Queensland Government requires by law that a taxi driver learn any of these particular things. The modern solutions to the past issues in the taxi industry have provided cheap and easy ways of avoiding any problems that the course is aimed at solving. Mobile phones have communication, navigation, attraction identification and simple automatic payment systems.

Individual companies may wish to get their drivers to complete a course or send them on some kind of training however, there is no reason the Queensland Government should require it by law. The cost of requiring this course is the opportunity cost of redirecting qualified trainers away from trade training and other productive forms of training and the cost to the drivers of about \$8.3 million to \$11.5³ million per year or PV of \$86.8 million to \$121.6 million.

Medical test

The applicant must obtain a medical certificate for a commercial vehicle driver. The medical certificate is to be obtained from a medical practitioner and assessed in accordance with the Austroads Inc publication "Assessing to Drive - For Commercial and Private Vehicle Drivers" national medical standards.

Austroads indicate the increased medical assessment for a commercial over a non-commercial driver are set due to the increased risks:

The assignment of medical standards for vehicle drivers is based on an evaluation of the driver, passenger and public safety risk, where risk = likelihood of the event x severity of consequences. Commercial vehicle crashes may present a severe threat to passengers, other road users (including pedestrians and cyclists) and residents adjacent to the road. Such crashes present potential threats in terms of spillage of chemicals, fire and other significant property damage.

² Eight hours per day multiplied by 5 days multiplied by \$50 per hour is \$2,000

³ Assumes 2 drivers per taxi licence, between 25% and 35% driver turnover, \$2,550 per course and a discount rate of 9.5%

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Austrroads sets the standards for drivers as the private standards should be applied to drivers applying for or holding a licence class C (car), R (motorcycle) or LR (light rigid) unless the driver is also applying for an authority or is already authorised to use the vehicle for carrying public passengers for hire or reward or for carrying bulk dangerous goods, or, in some jurisdictions, for a driving instructor.

The commercial standards should be applied to:

1. drivers of 'heavy vehicles', i.e. those holding or applying for a licence of class MR (medium rigid), HR (heavy rigid),
2. HC (heavy combination) or MC (multiple combination)
3. drivers carrying public passengers for hire or reward (bus drivers, taxi drivers, chauffeurs, drivers of hire cars and small buses, etc.)
4. drivers carrying bulk dangerous goods
5. drivers subject to requirements for Basic or Advanced Fatigue Management under the National Heavy Vehicle Accreditation Standard
6. other driver categories who may also be subject to the commercial vehicle standards as a result of certification requirements of the authorising body or as required by specific industry standards, for example, driving instructors and members of Trucksafe.

Using Austrroads test for risk (likelihood of the event multiplied by the severity of consequences) it is not clear why a taxi driver would be at or cause any higher risk than any 'non-commercial driver' on the roads. The likelihood of a taxi driver having an accident is no higher than any non-commercial driver in any given hour of driving. Taxi drivers may be in more accidents overall, however this would be due to the large number of them as a group and the large number of hours driving. There are no restrictions on non-commercial class C drivers on the number of hours they drive, therefore all drivers could drive for as many or more than a taxi driver. The consequences of a taxi driver crashing is exactly the same as any non-commercial vehicle on the road. Therefore, there is no increased risk of a taxi driver compared to a normal class C driving licence holder. The simple requirement that a taxi driver hold an open Queensland licence will remove any risk the driver is under a conditional licence with any medical conditions.

The requirement for a special medical test of a taxi driver appears to be excessive red tape with no basis in public health or risk management. The cost of this requirement is the lost time of both the driver (\$20.83 to \$29.17⁴) and the doctors in completing the test (\$25.00 to 37.50⁵). The drivers direct cost of paying for the test would be about \$93.50⁶.

⁴ Assume travel time of 15 to 20 minutes and appointment time as 10 to 15 minutes at \$50 per hour

⁵ Assume appointment time of 10 to 15 minutes at \$150 per hour

⁶ Provided by Fiveways Medical Centre in Graceville

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Table 1. Costs of a required medical test for taxi drivers⁷

	Low	High
Cost to Doctor	\$ 80,881	\$ 169,851
Cost to Drivers	\$ 369,897	\$ 555,600
Total Annual Cost	\$ 450,778	\$ 725,451
NPV	\$ 4,745,033	\$ 7,636,325

Sources: Premiers, 2015.

These costs do not include the opportunity cost of a doctor missing valuable time treating people with medical conditions due to taking time to test a taxi driver's ability to drive a car. Queensland doctors are spending at least 13 to 28⁸ working weeks⁹ per year on the driving medical test for taxi drivers.

Bailment agreement

Operators of taxi services must ensure a written taxi service bailment agreement is entered into with an authorised driver before permitting them to drive a taxi. Bailment describes a legal relationship in common law where physical possession of personal property, or a chattel, is transferred from one person (the 'bailor') to another person (the 'bailee') who subsequently has possession of the property.

The DTMR explanation of what is required in the bailment agreement indicates the key issues are insurance and employment conditions. Individual companies may wish to implement a form of contract with the drivers but it is not clear why the Queensland Government would require a special agreement. All companies in Queensland already pay a workers compensation premium to the Queensland Department of Work Place Health and Safety. The taxi premium is currently \$2.287 per \$100 of wages as stated in the 6 June 2014 Queensland Government Gazette No. 34. Currently, Uber has implemented rules to cover the drivers and passengers with insurance. The driver must have comprehensive car insurance which covers the driver and Uber has a worldwide public liability insurance which covers the passengers.

The employment contract between a taxi company and a driver should be a private contract which is regulated under the same requirements as any other employment contract. Disputes between drivers and taxi companies would be dealt with by the Fair Work Ombudsman or a range of other agencies¹⁰. The cost of this requirement are the time to complete and submit the form, gaining independent legal advice and processing and storing agreements in DTMR.

⁷ Assume new drivers are 25% (3,235) to 35% (4,529) of total drivers per year, there are two drivers per taxi licence and the discount rate is 9.5%

⁸ Allowing 10 to 15 minutes per test

⁹ Assume a 5 day working week

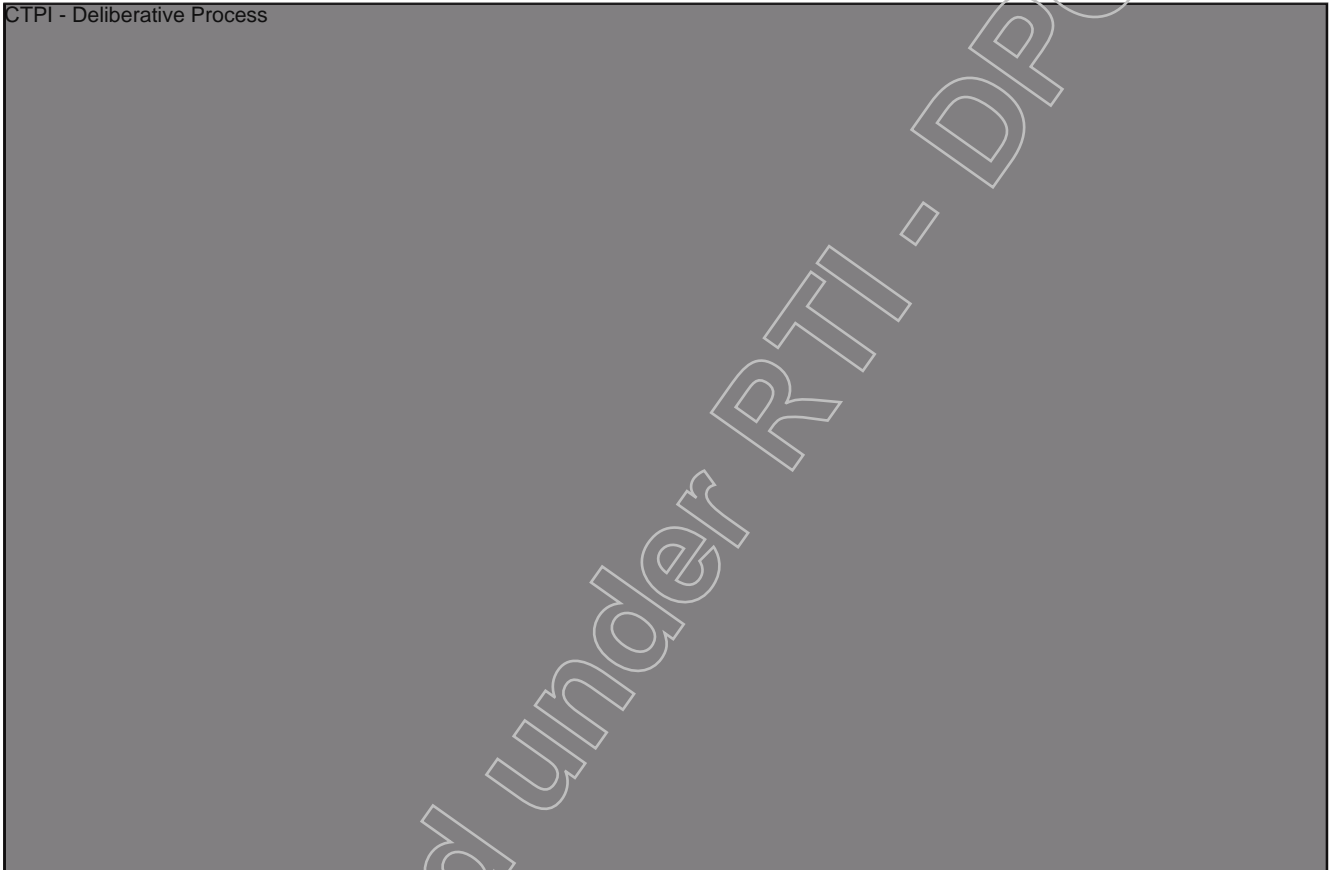
¹⁰ <http://www.complaints.qld.gov.au/>

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Cost to each driver for completing the form and gaining legal advice is estimated at \$800¹¹, the cost to the taxi company is about \$150¹² and the cost to DTMR is estimated at \$200¹³ per application. The total cost per application is estimated at \$1,150 which is a total of \$3.9 million per year or NPV of \$41.2 million¹⁴.

Driver authorisation conclusion

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¹¹ Assume one hour to fill in form, two hours to submit form including travel, three hours of time for legal advice and \$500 for legal advice.

¹² Assume one hour to fill in form, two hours to submit form

¹³ Assume two hours of time managing and accessing the form and the cost of storage and review

¹⁴ Assume a discount rate of 9.5%

¹⁵ <http://www.blackandwhitecabs.com.au/?q=brisbane/Becoming-a-Driver>

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Vehicle safety requirements

The Queensland Transport Operations Regulation 2005¹⁶ there are a range of taxi related vehicle safety related regulations, including:

1. The chief executive may require the operator of a public passenger vehicle to get an inspection
2. An operator of a public passenger vehicle must ensure the vehicle is in a safe condition when it is being used to provide a public passenger service.
3. Passengers must have control over the opening and shutting of the vehicle's doors independently of the driver.
4. A taxi must be constructed, or have a safety partition or some other equipment fitted, to prevent luggage or other goods being carried in the luggage compartment of the vehicle from entering the passenger compartment
5. If luggage is carried in the passenger compartment—be constructed, or have equipment fitted, to secure the luggage
6. A taxi vehicle cannot be more than six years old
7. Taxis must be fitted with the following:
 - a. a green distress light;
 - b. a hail light;
 - c. a child restraint anchorage bolt.
8. Type of vehicle: forward-control passenger vehicle, passenger car, off-road passenger vehicle or schedule 4 vehicle light bus having up to 12 seating positions, including the driver's position

The current vehicle safety requirements fit into two categories; one is required by all vehicles and the second is unreasonable. The first three requirements above fit into the first category of required by all vehicles. The Chief Executive can require any vehicle to be inspected as stated in Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010¹⁷. An operator of any vehicle must ensure the vehicle is in a safe condition at all times. There are very few vehicles if any in Australia that do not allow the passengers to operate the door locks.

The next five vehicle safety requirements fit into the second category of not reasonable. There is no rational reason that a taxi vehicle should have any different safety equipment or meet any higher level of safety than required for all other road vehicles. The safety of all Australian citizens is as important as the drivers or passengers of taxi vehicles. Special requirements for the carriage of luggage for taxi vehicles has no basis in real safety requirements as the luggage in a non-taxi vehicle is just as dangerous as the luggage in a taxi. The fact the driver is paid for the use of the vehicle does not increase the risk of personal injury from luggage. There are already rules about the safe

¹⁶ Transport Operations (Passenger Transport) Act 1994 Transport Operations (Passenger Transport) Regulation 2005, Current as at 1 January 2015

¹⁷ Transport Operations (Road Use Management) Act 1995, Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010, Current as at 1 January 2015

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restraining of loads for all vehicles which is reasonable and all taxi vehicles will be required to meet these regulations. The cost of special requirements could be significant for each vehicle as special fixtures will need to be added to the vehicle and approved by DTMR.

The current taxi vehicle safety requirements related to a distress light, a hail light and a child restraint anchorage bolt are unreasonable and can create significant costs. All vehicles on the road are fitted with hazard lights which is considered reasonable level of safety for the general public. There is no reason why a taxi should meet a higher safety level. Most vehicles are fitted with a child restraint anchorage bolt as standard however, there is no need for a taxi to require a bolt. The road rules specify the requirements for carriage of a child in a child restraint, there is no reason why a taxi should have to carry a child if it is not fitted with the required equipment. The installation of a bolt in a vehicle is about \$280 for one point and \$380 for two points¹⁸ plus a day off the road for the vehicle and about three hours of time (about \$1,000) per vehicle.

The requirement to only use a certain type of vehicle is unreasonable constraint on the market with no safety aspect.

The highest cost taxi vehicle safety requirement is that the vehicle should be no more than six years old. There is no extra safety related to a vehicle that is less than six years of age compared to all other vehicles on the road. If the vehicle is safe enough for the general public to operate on public roads then it is safe enough for the use as a taxi vehicle. Picture 1 below demonstrates a vehicle which is in very good working condition and is allowed to operate on Queensland roads carrying up to four passengers but would not be allowed to be used as a taxi.

Picture 1. 2006 Holden Commodore VE SS



Source: CarSales.com.au¹⁹

¹⁸ Barryan Accessory Fitting 8 Seashell Drive, Deception Bay QLD 4508 T: 07 3203 2002

¹⁹ <http://www.carsales.com.au/private/details/Holden-Commodore-2006/SSE-AD-3139058/>

Not Government Policy

The highest cost of this restriction is the increase in required fares due to the high level of depreciation.

Table 3. Increase in depreciation of a \$50,000 taxi due to limited life²⁰

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Source: Premiers, 2015.

The increase in depreciation costs will be passed on to the consumers through higher taxi fares or reduced revenue for licence owners and or drivers.

Limited taxi licences in Queensland

The largest cost of taxi regulations in Queensland are related to the limit on supply of taxi licences. There are direct costs of around \$249.5 million per year or PV of \$2.6 billion due to higher fares than otherwise required. The other related cost are the deadweight loss, reduced tourism, increase in driving under the influence and increased congestion.

Theory of the cost of supply constraints

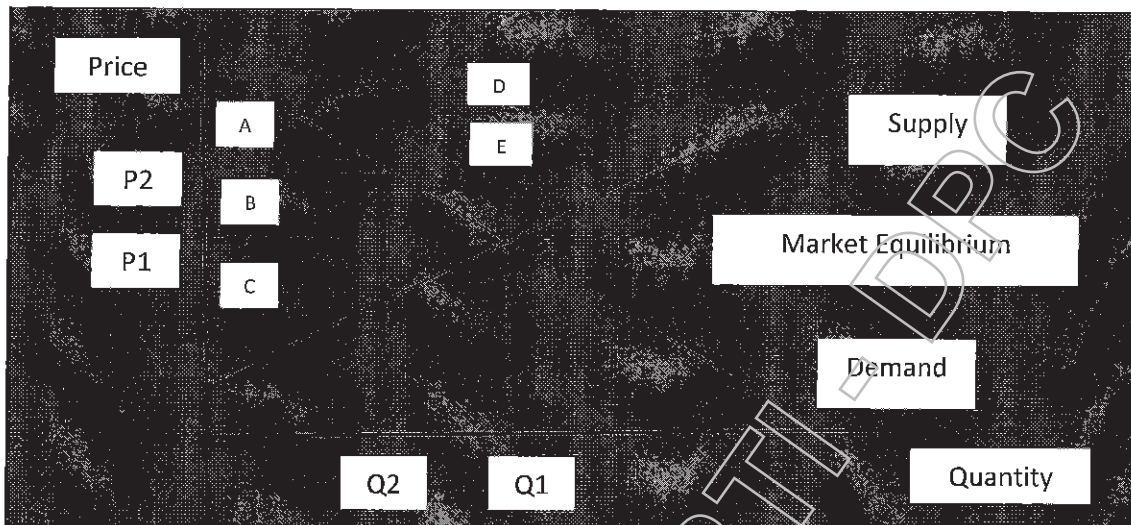
Economic theory provides a clear understanding of the costs associated when governments restrict the supply of goods or services. As shown in graph one below, the price will increase, there will be a deadweight loss²¹, consumers will have reduced wealth and producers will have an increase in wealth.

²⁰ Straight line depreciation assumed, the PV discount rate is 9.5%

²¹ Activity that does not happen that could have if the constraint did not exist.

Not Government Policy

Graph 1. Economic theory of supply constraint costs



Source: Premiers, 2015.

The government's supply restriction will reduce the quantity supplied from Q_1 to Q_2 which increases the price from P_1 to P_2 . The move away from the market equilibrium point will redistribute consumer surplus (CS) and producer surplus (PS). The original $CS = A + B + D$ and $PS = C + E$, however after the supply constraint the $CS = A$ and $PS = C + B$. That is the producers have captured a portion of the consumers surplus through the ability to charge above market prices at a low level of supply. The deadweight loss after the supply constraint is $D + E$ which is the area of economic activity that will not occur due to the restriction on supply.

Measuring the actual size of all the different areas of market changes due to the government's restriction on supply is difficult. The area B or the CS captured by producers due to the government's supply constraint is estimated by the required returns on the asset value of owning a taxi licence. Using a typical regulatory pricing model the extra returns required due to the taxi licence value is approximately 30% of the entire required revenue of taxi companies. There are many assumptions included in this price estimate and very little actual data provided to underpin the model. However, the current taxi licence cost in Queensland is approximately \$510,000 which an owner would require a return on capital of between 10% (\$51,000) and 15% (\$76,500) per year per licence. That is a cost of \$166.4 million to \$249.5 million per year (PV \$1.75 billion to \$2.61 billion) of CS reallocated from the general public to taxi licence owners through increased fares for the public and increased profits for taxi licence owners. The total modelled reduced cost to consumers is estimated at \$249.5 million per year or PV of \$2.62 billion.

Deadweight loss is difficult to measure however the related negative externalities are evident in many sectors of the Queensland economy. The major negative externalities are related to:

1. Decrease in tourism
2. Increase in driving under the influence

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3. Increased congestion and
4. Reduced economic activity.

Tourism is decreased due to the high cost and lack of availability of taxi services reducing the ability for tourists to travel into and around tourist areas²². People who wish to travel to and from social events are forced to either not drink or to pay very large taxi fares while experiencing long waiting times. Therefore, the incentive is for people to take more risk in deciding to drive even though they have consumed some alcohol. The negative effects of this incentive are clear and are directly related to the government's restriction on taxi licences. Congestion on the roads in Queensland is very high and is only increased by the limitations placed on taxi licences. In a free market for taxis any person could purchase a vehicle and charge passengers for a trip. In this case a person driving to work could charge people in their street to travel in their car to work with no extra cost by increased revenue. Therefore, the people traveling in that vehicle would not driver their own car or take public transport which would reduce congestion.

There are many other related costs through lost economic activity that are difficult to prove or measure but are evident to an economist. The evidence of the negative effects of government restrictions on supply of goods and services can be seen in past market constraints. Russia is a clear example of the government controlling the market which causes costs on the economy. Pictures two and three below are examples of people lining up to get access to food goods due to the Soviet Russian government controlling the supply of goods and services.

Picture 2. Siberians line up outside a shop in Novokuznetsk, Russia



²² Advice provided by a hotel owner and members of the Southern Gold Coast Chamber of Commerce

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Picture 3. Hindered by centralised market forces: A long queue forms in Novokuznetsk for bacon and other meat from the butcher at a state-run market



Pictures two and three above are similar to the lines now experienced by people in Queensland when trying to catch a taxi in picture four below.

Picture 4. Taxi lines in Brisbane



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What can the State Government do to reduce unemployment?

The Government has a number of levers by which it can influence employment, including regulation, infrastructure, training and labour market measures, and education. Within these broad categories, a number of policy options may be considered, which are further developed later in the paper. Over the page we have a more extensive focus on one area we believe large gains are possible, in further reforming planning regulations at the local government level.

Regulation

The major areas the Government can consider policy changes are outlined below.

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Information Bulletin

PT 203/07.14

Operator Accreditation for Taxi Services

What is operator accreditation?

The *Transport Operations (Passenger Transport) Act 1994* requires operators of taxi services in Queensland to hold operator accreditation (OA).

The purpose of operator accreditation is to encourage the high quality operation of public passenger services by—

- raising standards and awareness of operators in the areas of safety, service delivery and business acumen; and
- ensuring operators are held accountable for complying with appropriate standards.

Who needs to hold operator accreditation for a taxi service?

Operator accreditation is required to be held by—

- owners of a taxi service licence, including an individual, a partnership, or a company; and
- an individual, a partnership, a company or a cooperative that provides a taxi booking service or taxi administration service; and
- the manager or lessee of a taxi service licence; and
- a person operating a taxi under a taxi service bailment agreement¹ who utilises other drivers to drive the taxi during the bailment period.

Note—

¹ A *taxi service bailment agreement* is an agreement between an accredited operator and an authorised driver for the bailment of a taxi. The payment arrangements under a bailment agreement may be for the driver to pay the operator a percentage of the takings or for the driver to pay the operator a fixed amount not related to the takings (known as a set pay in arrangement). People who enter into a bailment agreement and utilise other drivers to drive the taxi during the bailment period are considered to be carrying on the business of providing a public passenger service and so are considered to be operators for the purposes of the *Transport Operations (Passenger Transport) Act 1994*.

What is a taxi service?

A taxi service is a public passenger service, other than an excluded public passenger service², provided by a motor vehicle under which the vehicle—

- is able, when not hired, to be hailed for hire by members of the public; or
- provides a demand responsive service³ under which members of the public are able to hire the vehicle through electronic communication; or
- plys or stands for hire on a road.

Notes—

² An *excluded public passenger service* includes a community transport service, courtesy transport service, limousine service and an unscheduled long distance scheduled passenger service.

³ A *demand responsive service* includes a service that is—

- held out as being able to respond to requests for service immediately or within a period of time appropriate to a taxi or within a similar period; or
- held out as being a service providing taxis or a service similar to a service providing taxis; or
- conducted in a way that may reasonably be expected to give prospective customers or the public the impression that the service is, or operates in a way similar to, a service providing taxis.

For more information on taxi services, refer to information bulletin PT07 *Taxi Service Licences*.

Criteria for granting and holding operator accreditation

The following factors are considered when assessing an application for operator accreditation:

- Whether a previous operator accreditation granted to the person(s) has been cancelled or suspended;
- Whether the person(s) has repeatedly engaged in conduct that, in the chief executive's opinion, is damaging to the reputation of public passenger transport; and
- Whether the person(s) has been convicted of a disqualifying offence, or charged with a disqualifying offence which has not been finally disposed of.

To obtain full accreditation, applicants must have one of the following qualifications:

- (a) A Statement of Attainment from a Registered Training Organisation for the following competencies from the Transport and Logistics Training Package:
- Implement and monitor occupational health and safety procedures
 - Apply quality procedures
 - Coordinate fleet control logistics
- or
- (b) An equivalent qualification recognised by the Director-General, Department of Transport and Main Roads.

Note—

Applicants who do not hold one of the above-mentioned qualifications may be issued with provisional operator accreditation. If, at the completion of a compliance audit, the department considers that it would assist the operator in meeting audit requirements, the operator may be directed by the department to obtain one of the above qualifications.

Refusal, amendment, suspension or cancellation of operator accreditation

An operator accreditation may be refused, amended, suspended, or cancelled if an applicant or holder—

- is convicted of a disqualifying offence; or
- does not comply with a requirement of the *Transport Operations (Passenger Transport) Standard 2010* applying to the operator accreditation; or

- the department considers that the person has behaved in a way that has damaged the reputation of public passenger services or accredited operators or otherwise is contrary to the encouragement of the high quality operation of public passenger services.

Furthermore, an application for operator accreditation may also be refused if a party to the application—

- has been charged with a disqualifying offence and the charge has not been finally disposed of; or
- has had an operator accreditation granted to the person cancelled or suspended.

Notes—

- Under the *Transport Operations (Passenger Transport) Act 1994*, a "conviction" is defined as including a finding of guilt or the acceptance of a plea of guilty by a court, whether or not a conviction is recorded.
- Disqualifying offences include certain criminal and civil offences. For more information, refer to information bulletin PT15 *Operator Accreditation – Suitability Checks and Effect of a Disqualifying Offence*.
- A criminal history check will be made on all applicants before their application is approved. (If an overseas criminal history check is required, applicants are responsible for obtaining and providing an original copy of the overseas criminal history check.)

How to apply

- (1) Obtain an Operator Accreditation Application (form F2982), a Vehicle Declaration (form F3858), and relevant information bulletins from your local Passenger Transport (Department of Transport and Main Roads) office. (This is also a good time to check requirements with staff.)
- (2) Complete the application form and vehicle declaration form and lodge these with the required fees together with the original proof of identity of each member, partner, director and nominated executive officer on the application. Acceptable proof of identity is either a Queensland driver licence or the forms of personal identification required to obtain a Queensland driver licence.

For individuals and partnerships: all persons must present their proof of identity in person.

For corporations and other incorporated organisations: any person nominated on the application form as an 'executive officer' involved in the management of the transport service who is not named on the certified list of current directors must present their proof of identity in person, otherwise only one person on the list of current directors need to attend in person.

Notes—

- For corporations: the Certificate of Incorporation, including a certified copy of the list of the current directors of the corporation (available from the Australian Securities and Investment Commission), must be provided.
- For an individual, partnership, or incorporated company trading under a business name: a copy of the Business Names Extract from the Office of Fair Trading is required.

- (3) Lodge training certificates, where applicable.

Operational requirements

Accredited operators must comply with specific legislative requirements. Requirements are made in the following areas.

Taxi Service Licence

- Operators must hold a taxi service licence in order to provide a taxi service. There can only be one vehicle attached to a taxi service licence at any one time.

Vehicles

- The operator of a taxi service must ensure that a written notice stating the following is kept inside the taxi used to provide the service and is readily available to the driver – (a) the area stated in the taxi service licence for which the taxi may be operated; and (b) any other condition to which the licence is subject that restricts the use of the taxi.
- Operators must ensure that vehicles used to provide the service are maintained to a standard that complies with, or exceeds, the servicing and maintenance program specified by a vehicle's manufacturer. This must be established by following a documented maintenance schedule for each vehicle. Refer to information bulletin PT401 *Maintenance of Public Passenger Vehicles* for more detailed information on what documentation is required.
- Vehicles providing a taxi service must –
 - comply with the *Transport Operations (Passenger Transport) Regulation 2005*, section 67 (Maximum Age Limits for Taxis), schedule 5 (Equipment for Vehicles), schedule 8 (Public Passenger Vehicles) and where applicable schedule 4 (Luxury Motor Vehicles) - contact your nearest Passenger Transport Office for further details.
 - comply with section 5 of the *Transport Operations (Road Use Management - Vehicle Standards and Safety) Regulation 2010*.
 - be operated in a safe manner.
- Operators must ensure that the following is maintained for each vehicle –
 - a current Certificate of Registration
 - a current Certificate of Inspection
 - appropriate Compulsory Third Party Insurance for the type of service operated.
- Operators must ensure that the vehicles are not overloaded.
- Operators must ensure vehicles used to provide the service are clean and tidy, and provide for the basic comfort of passengers (refer to information bulletin PT403 *Cosmetic Standards*).

Driver management

Operators must ensure that their drivers—

- Hold driver authorisation for the type of passenger service being provided.
- Do not operate a public passenger vehicle if the driver's fatigue level may endanger passenger safety.
- Are given training, under a documented training program, in the driver's responsibilities under the *Transport Operations (Passenger Transport) Act 1994*. A separate information bulletin PT209 *Driver Training by Operators* details the criteria for meeting this requirement.

Taxi Service Bailment Agreements

Operators of taxi services must ensure a written taxi service bailment agreement is entered into with an authorised driver before permitting them to drive a taxi. Penalties apply to both operators and drivers for not meeting this requirement unless the driver is an employee of the operator and can provide a statutory declaration that states the employment relationship.

The following information must be included in a taxi service bailment agreement:

- the date the parties signed the agreement;
- the name and address of each of the parties;
- the operator's accreditation number;
- the driver's driver authorisation number;
- the following information about any personal injury insurance (for the authorised driver) relating to the taxi service bailment agreement –
 - (a) whether the accredited operator has obtained the personal injury insurance;
 - (b) if the accredited operator has obtained the personal injury insurance –
 - (i) whether the accredited operator agrees to maintain the personal injury insurance for the duration of the taxi service bailment agreement; and
 - (ii) the expiry date of the personal injury insurance; and
 - (iii) either of the following for the personal injury insurance –
 - (A) the personal injury insurance information; or
 - (B) how the personal injury insurance information can be obtained from the accredited operator.
- the following about amounts payable under the taxi service bailment agreement –
 - (a) if the authorised driver must pay the accredited operator a percentage of the takings – the percentage;
 - (b) if the taxi service bailment agreement provides for a set pay in arrangement between the parties – the set pay in amount for the taxi service bailment agreement;
 - (c) who is responsible for the cost of fuel;
 - (d) if the cost of fuel is to be shared between the parties – the amount or percentage of the cost each of the parties must pay;
 - (e) if the authorised driver must contribute to the cost of the premium for any insurance relating to the taxi service bailment agreement – the amount or percentage of the contribution;
 - (f) if the authorised driver must contribute to the cost of any excess payable under any insurance relating to the taxi service bailment agreement – the amount or percentage of the contribution.

Under section 35N of the *Transport Operations (Passenger Transport) Act 1994*, operators may only enter into a Taxi Service Bailment Agreement with a set pay in arrangement with an authorised driver who has held

Queensland driver authorisation for at least 12 months, consecutively or cumulatively, within the 5 years before the agreement is entered into. The maximum penalty for not complying with this requirement is \$4,554.

For more information on taxi service bailment agreements, refer to information bulletin PT331 *Taxi Service Bailment Agreements*.

Incident management plans

A taxi operator must have an incident management plan in place unless the taxi operator provides services in an area where a taxi service contract is in force.

Customer service

For taxi operators not attached to a taxi booking service, an operator must provide the public with a convenient means of obtaining information about the service.

Record keeping

- All records must be kept for five years.
- Operators must keep a record of their drivers' driver authorisation numbers.
- For each trip undertaken, operators must keep records of: the name of the driver; the driver's driver authorisation number; the vehicle used (including the registration number and where applicable, the fleet number); the date; and the period of time the vehicle was assigned to the driver.
- Operators must record details of vehicle maintenance for each vehicle used.
- Operators must keep a copy of their incident management plan and copies of completed incident management reports.
- Operators must keep a copy of all complaints received and any action taken in regard to the complaints.
- Operators must keep records about the use of substitute taxis.
- For taxi operators not affiliated with a taxi booking service, an operator must keep records of all customer complaints and the action taken in regard to each complaint.

Fees

- Applicants for and holders of operator accreditation (OA) are required to pay the fees prescribed in schedule 9 of the *Transport Operations (Passenger Transport) Regulation 2005*.
- There are two components to the OA fees. There is the "annual application/renewal fee" (refer schedule 9, sections 5 and 6) and there is the "additional application fee" (refer schedule 9, section 10), which is used to offset the costs of criminal history checks.
- The "additional application fee" must be paid in full at time of application.
- The "annual application/renewal fee" must be paid before an OA is issued.

Fees are calculated on the following basis

- Where more than one service category is performed, only the highest "annual application / renewal fee" applicable is payable. (If the prescribed fee categories are equal then only the one "annual application/renewal fee" is payable.)
- The charge for the "annual application/renewal fee" may be paid on a pro-rata basis calculated on the number of months required.
- An "additional application fee" is payable for each person nominated on the operator accreditation application form.
- Pro-rata does not apply to the "additional application fee".

Period of issue

Operator accreditation can be granted for a period of up to five years (in multiples of one year periods). Accreditation may be issued on a part year basis for the purpose of aligning the expiry date with other department products; however there is a minimum issue period of one year.

Persons who do not meet the standards applicable to being granted full operator accreditation (for example, by not meeting training requirements) may be granted provisional operator accreditation for a period of up to twelve months.

Notification of disqualifying offences

- A person who is an accredited operator must immediately notify the department in writing if—
 - for an individual—the person is charged with a disqualifying offence; or
 - for a member of a partnership—the person, or another member of the partnership, is charged with a disqualifying offence; or
 - for a corporation—the corporation, a director or a nominated executive officer of the corporation, is charged with a disqualifying offence
- The department must also be immediately notified in writing about the outcome of the charge.
- When operator accreditation is held by a partnership, if a member of a partnership is charged with a disqualifying offence that person must immediately inform in writing the other member of the partnership about the charge. When the charge is dealt with, the person must also inform the other partner in writing of the outcome of the charge.
- When operator accreditation is held by a corporation, if an executive officer of the corporation is charged with a disqualifying offence that person must immediately inform in writing another executive officer of the corporation about the charge. When the charge is dealt with, the person must also inform another executive officer in writing of the outcome of the charge.

Compliance

Information about disqualifying offences and compliance is detailed in the information bulletin titled PT 19 *Compliance for Public Transport Operators and Drivers*.

Requirements on drivers, operators, and passengers are made under the *Transport Operations (Passenger Transport) Act 1994*, the *Transport Operations (Passenger Transport) Regulation 2005* and the *Transport Operations (Passenger Transport) Standard 2010*. Many of these requirements specify offences and penalties for non-compliance.

If a person does not comply with a requirement they risk being issued with an Infringement Notice or being charged with committing an offence and being taken to court (through issue of a Complaint and Summons).

If a person is convicted by a court for a disqualifying offence then action can also be taken to suspend or cancel any operator accreditation, driver authorisation, taxi service licence or limousine service licence held by that person.

Reviews of decisions affecting operator accreditation

If a person is dissatisfied with a decision affecting their operator accreditation or application for operator accreditation, they may request an internal review of the decision. If the person is not satisfied with the outcome of the review then the person may apply to the Queensland Civil and Administrative Tribunal (QCAT) for an external review. For more information please refer to information bulletin PT18 *Reviews of Decisions affecting Operator Accreditation and Driver Authorisation*.

Additional information

The information contained in this bulletin has been produced as a guide to assist in the understanding of the legislation and policy. Clarification of any information in this bulletin may be obtained from the Department of Transport and Main Roads by contacting your local Passenger Transport office of the Department.

This bulletin is an interpretation of the relevant Acts, Regulations and Standard and should not be used as a reference to a point of law.

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.

The legislation may be viewed on the internet at www.legislation.qld.gov.au. Additional information about public passenger services is available on the Department of Transport and Main Roads internet site at www.tmr.qld.gov.au/information_bulletins.

Pages 323 through 325 redacted for the following reasons:

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Queensland Taxi Regulation in an Era of Disruptive Technology**What is the problem?**

- Technological improvements have enabled ride sharing companies like Uber to operate outside of the existing public passenger regulatory framework and Uber drivers are failing to comply with the relevant legislative requirements.

Why is this a problem for Queensland?

- Uber's launch and continued operations in Queensland have demonstrated the inability of the current regulatory framework to respond to new technologies and innovation in the public passenger market.

How has this problem emerged?

- Queensland does not allow private vehicles to offer taxi services. New app-based technologies like Uber allow consumers to book and pay for private vehicles in a way that is difficult to detect.
- This makes it hard for the Government to enforce current regulatory requirements. It also raises questions whether the existing framework remains appropriate.

Why are taxis regulated?

- The Queensland Government regulates taxis to maintain safe, reliable and equitable service levels.
- The Government controls the supply of taxis through licences and requires taxis to charge consumers the same maximum per kilometre rate regardless of the cost of providing the service. This means consumers in low density areas or with accessibility requirements are not charged the full cost of service (cost of driving from the city to an outer suburban area for a pick up or the cost of an accessible taxi).
- In practice the cost of providing services to these consumers is cross-subsidised by other consumers.
- The Government requires drivers to have criminal background checks and adequate compulsory third party (CTP) insurance to protect passenger safety.
- In certain taxi service areas the Government also requires licence holders to affiliate with a taxi booking company (Black & White Cabs or Yellow Cabs in Brisbane). The Government requires taxi booking companies to meet service standards, including in low demand areas and for consumers who have accessibility requirements.
- The supply of taxi booking companies is not regulated. However the commercial requirement to have a large affiliated fleet capable of meeting service standards means the barriers to entry are high.
- Taxi drivers cannot cherry pick fares – they must take the fare dispatched to them by the taxi booking company. They also must take the first person at the rank. Consumers receive the same level of service regardless of the profit they provide to drivers.
- This model is also used by most other jurisdictions.

What is the impact of regulation?

- The current system benefits those who live in poorly serviced public transport areas and need to travel short distances or travel at times when public transport is unavailable.
- In the absence of regulation these users would likely pay higher prices to more closely reflect the cost of providing these services.

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- Regulation also limits competition; reduces incentive to deliver cost and service improvements to users; and imposes costs on users and operators that impose broader economic and productivity costs.
- Restricting the supply of taxis limits competition and can result in higher fares for some users than would be the case in a more open market. This benefits licence holders at the expense of consumers. It also creates disincentive to significant reform because of potential compensation claims from licence holders.
- Research found restricting the supply of Sydney taxis imposed economic costs of \$265M per year. Modelling conducted by the Victorian taxi inquiry found that Melbourne taxi users pay around \$120 million each year to maintain the value of taxi licence plates.
- Assuming similar costs are imposed as in Sydney then the net cost from restricting taxis in south east Queensland is \$121M a year.
- Centre for International Economics research found Brisbane consumers were worse off by \$40M a year from restricting Brisbane taxi numbers with a dead weight loss to society of \$3M to \$20M a year.
- Because competition is limited and taxis are mandated to offer the same service to all users, there is little incentive to deliver improvements that some consumers may be prepared to pay more to access.

What is the impact of Uber operating in Queensland?

- Uber is offering a more personalised service that users consider to be more efficient, cost effective and safer.
- Uber's app based platform allows consumers to choose the vehicle and driver they will use.
- Research undertaken by the NSW Independent Pricing and Regulation Tribunal found 50 per cent of Uber customers used it because it was cheaper and the other 50 per cent for the convenience it offered.
- Uber's impact on licenced taxis is not clear. Data on Uber patronage is not available. However anecdotal evidence from the Department of Transport and Main Roads (TMR) suggests there are 100 Uber drivers earning around \$2000 in fares each week.
- This suggests that Uber drivers' annual fare revenue is around \$10.4M.
- It is not clear if this revenue is from new demand induced by lower prices or if it is being substituted from licenced taxis.
- It is also not clear if the additional employment opportunities Uber is providing for unemployed and underemployed Queenslanders is coming at the expense of the 12 941 existing licenced taxi drivers.
- As Uber only entered the Queensland market in 2014 it is too soon to gauge its impact on the value of taxi licences. Nevertheless, as awareness of Uber and the savings it offers grows, its share of the market is likely to increase and the value of taxi licences and the annual revenue they deliver is likely to decline.
- Taxi licenses for south east Queensland are the most lucrative in Australia. A Brisbane taxi licence is currently worth approximately \$523 000 and a Gold Coast licence is currently worth approximately \$581 936. The average Australian taxi licence is worth \$359 200. TMR estimates the total value of Queensland taxi licences is \$1.4B.
- There are about 2 200 taxi licence holders in Queensland – 43 per cent, or 942, are individuals and 57 per cent, or 1 298, are organisations or partnerships – that hold 3 262 licenses.
- Uber drivers are not currently meeting the costs of regulatory compliance. They are also not required to service higher cost consumers (those who live in low density areas or whose business may not be profitable and/or desirable) or offer a specified service level in non-peak periods.

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¹ Uber receives 20 per cent of each fare. Drivers earning are estimated at an average of \$2000 in fares per week, with around 100 Uber drivers on the road.

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Licence Purchase	\$ 510,000	New
Number of taxi licences	3,267	5,000
Total Value	\$ 1,663,620,000	



	Number of Licences	Est Value	Est Value
Brisbane	1,867	\$ 510,000	\$ 952,170,000
Ipswich	68	\$ 450,000	\$ 30,600,000

\$	85,695,300	9.0%	\$	90,456,150	9.5%	\$	95,217,000	10.0%
\$	2,754,000		\$	2,907,000		\$	3,060,000	

Redcliffe	37	\$	350,000	\$	12,950,000	\$	1,165,500	\$	1,230,250	\$	1,295,000
Gold Coast	357	\$	500,000	\$	178,500,000	\$	16,065,000	\$	16,957,500	\$	17,850,000
Provincial Cities	765	\$	300,000	\$	229,500,000	\$	20,655,000	\$	21,802,500	\$	22,950,000
Total	3,094			\$	1,403,720,000	\$	25,266,960	\$	26,670,680	\$	28,074,400

\$ 259,900,000

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\$M	Annual	PV
Driver		
Authorisation	\$ 14.18	\$ 149.28
Depreciation	\$ 13.59	\$ 135.70
Supply Constraint	\$ 249.54	\$ 2,626.77
Total	\$ 277.32	\$ 2,911.75

10%

15%

	Est Value	WACC 10%	WACC 15%
Brisbane	\$ 523,000	\$ 52,300	\$ 78,450
Sunshine Coast	\$ 435,600	\$ 43,560	\$ 65,340
Gladstone	\$ 246,900	\$ 24,690	\$ 37,035
Gold Coast	\$ 581,936	\$ 58,194	\$ 87,290
Total	\$ 1,150,000,000	\$ 115,000,000	\$ 172,500,000
Brad's Total	\$ 1,663,620,000		\$ 249,543,000

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\$ 1,359,750	\$ 1,424,500	\$ 1,489,250	\$ 1,554,000	\$ 1,618,750	\$ 1,683,500	\$ 1,748,250	\$ 1,813,000	\$ 1,877,750	\$ 1,942,500
\$ 18,742,500	\$ 19,635,000	\$ 20,527,500	\$ 21,420,000	\$ 22,312,500	\$ 23,205,000	\$ 24,097,500	\$ 24,990,000	\$ 25,882,500	\$ 26,775,000
\$ 24,097,500	\$ 25,245,000	\$ 26,392,500	\$ 27,540,000	\$ 28,687,500	\$ 29,835,000	\$ 30,982,500	\$ 32,130,000	\$ 33,277,500	\$ 34,425,000
\$ 29,478,120	\$ 30,881,840	\$ 32,285,560	\$ 33,689,280	\$ 35,093,000	\$ 36,496,720	\$ 37,900,440	\$ 39,304,160	\$ 40,707,880	\$ 42,111,600

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\$90,738 \$99,812

9.0%	\$45,900	\$48,450	\$51,000	\$53,550	\$56,100	\$58,650	\$61,200	\$63,750	\$66,300	\$68,850	\$71,400
	\$40,500	\$42,750	\$45,000	\$47,250	\$49,500	\$51,750	\$54,000	\$56,250	\$58,500	\$60,750	\$63,000

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\$31,500	\$33,250	\$35,000	\$36,750	\$38,500	\$40,250	\$42,000	\$43,750	\$45,500	\$47,250	\$49,000
\$45,000	\$47,500	\$50,000	\$52,500	\$55,000	\$57,500	\$60,000	\$62,500	\$65,000	\$67,500	\$70,000
\$27,000	\$28,500	\$30,000	\$31,500	\$33,000	\$34,500	\$36,000	\$37,500	\$39,000	\$40,500	\$42,000
\$37,980	\$40,090	\$42,200	\$44,310	\$46,420	\$48,530	\$50,640	\$52,750	\$54,860	\$56,970	\$59,080

\$50,750	\$52,500
\$72,500	\$75,000
\$43,500	\$45,000
\$61,190	\$63,300

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Average Price	\$ 510,000		
Number of Licences	3,262	\$ 4,347	\$ 34,337
Number of Licence Owners	2,191	\$ 6,473	\$ 23,063

<i>Contracted Area</i>	<i>Conventional</i>	<i>Wheelchair</i>
Brisbane	\$523,000	\$356,000
Bundaberg	\$293,200	\$163,940
Cairns	\$500,940	\$363,216
Gladstone	\$246,900	\$66,420
Gold Coast	\$581,936	\$418,415
Gympie	\$229,092	\$100,294
Hervey Bay	\$336,160	\$327,560
Innisfail	\$138,380	\$28,250
Ipswich	\$347,000	\$140,160
Mackay	\$396,400	\$287,802
Maryborough	\$158,696	\$101,120
Mt Isa	\$217,936	\$22,500
Redcliffe	\$419,700	\$277,000
Rockhampton	\$284,000	\$148,600
Sunshine Coast	\$435,600	\$341,200
Toowoomba	\$354,000	\$298,000
Townsville	\$467,200	\$301,300
Yeppoon	\$182,150	\$138,167

**Darwin Taxi Rates
Northern Territory**

Peak Rates (06:00 - 17:59)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$4.20	\$1.49 Free	\$53.73/hour
Off Peak Rates (18:00 - 05:59 + Saturday & Sunday)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$5.00	\$1.83 Free	\$53.73/hour

**Brisbane Taxi Rates
Queensland**

Peak Rates (07:00 - 19:00)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$2.90	\$2.14	\$1.50 \$47.40/hour
Off Peak Rates (19:01 - 06:59 + Saturday & Sunday)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$6.30	\$2.14	\$1.50 \$47.40/hour

Distance	10 km	
	Peak	Off Peak
Darwin Fare	\$ 19.08	\$ 19.79
Brisbane Fare	\$ 24.30	\$ 23.30
	-\$ 5.22	-\$ 3.51
	-27%	-18%

Wellington

1.49
2.43
0.94
63%

ESTABLISHMENT COSTS	
Licence Purchase	
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 55,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

Licence	
Car	
Other Assets	
Total	

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Sub Total</i>	\$ 189,784	\$ 194,319	\$ 198,968	\$ 203,733	\$ 208,617	\$ 213,623
Required Income Per Shift	\$ 791	\$ 810	\$ 829	\$ 849	\$ 869	\$ 890
Required Income Per Trip						

Expected Income						
Low	\$ 189,784	\$ 194,529	\$ 199,392	\$ 204,377	\$ 209,486	\$ 214,723
High	\$ 246,720	\$ 252,888	\$ 259,210	\$ 265,690	\$ 272,332	\$ 279,140
Expected Income Per Shift						
Low	\$ 791	\$ 811	\$ 831	\$ 852	\$ 873	\$ 895
High	\$ 1,028	\$ 1,054	\$ 1,080	\$ 1,107	\$ 1,135	\$ 1,163
Expected Income Per Trip						

Low	\$	23	\$	23	\$		24	\$	24	\$	25	\$	26
High	\$	29	\$	30	\$		31	\$	32	\$	32	\$	33

Net Income

Low	\$	-	\$	209	\$	424	\$	644	\$	870	\$	1,101
High	\$	56,935	\$	58,568	\$	60,242	\$	61,957	\$	63,716	\$	65,518

Income per shift

Low	\$	791	\$	811	\$	831	\$	852	\$	873	\$	895
High	\$	1,028	\$	1,054	\$	1,080	\$	1,107	\$	1,135	\$	1,163

Net Income per shift

Low	\$	-	\$	1	\$	2	\$	3	\$	4	\$	5
High	\$	237	\$	244	\$	251	\$	258	\$	265	\$	273

Net Income per week

Low	\$	-	\$	4	\$	9	\$	13	\$	18	\$	23
High	\$	1,186	\$	1,220	\$	1,255	\$	1,291	\$	1,327	\$	1,365

Net Income per Year

Low	\$	-	\$	227	\$	459	\$	698	\$	942	\$	1,193
High	\$	61,680	\$	63,449	\$	65,262	\$	67,120	\$	69,025	\$	70,978

Released Under the President John F. Kennedy Act

Life	Asset Value	Annual Depreciation
	\$ -	
6	\$ 50,000	\$ 8,333
6	\$ 5,845	\$ 974
	\$ 55,845	\$ 9,308

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$ 41,600

Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Number of Trips per year	8,400

13.71

	1993	2013
\$ 190,000	\$ 20.67	\$ -
-	\$ 9.55	\$ -
	\$ -	\$ -
		\$ -
		\$ 50,000,000

Released under RTI - DPC

\$	266,284
\$	189,784
\$	76,500
	29%

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

	Life	Asset Value
Licence		\$ 510,000
Car	6	\$ 50,000
Other Assets	6	\$ 5,845
Total		\$ 565,845

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Sub Total</i>	\$ 266,284	\$ 270,819	\$ 275,468	\$ 280,233	\$ 285,117	\$ 290,123
Required Income Per Trip	\$ 1,110	\$ 1,128	\$ 1,148	\$ 1,168	\$ 1,188	\$ 1,209
Required Income Per Trip	\$ 22,59	\$ 23,13	\$ 23,69	\$ 24,25	\$ 24,84	\$ 25,43
	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11
	29%	28%	28%	27%	27%	26%
Expected Income						
Low	\$ 266,284	\$ 272,941	\$ 279,765	\$ 286,759	\$ 293,928	\$ 301,276
High	\$ 346,170	\$ 354,824	\$ 363,694	\$ 372,787	\$ 382,106	\$ 391,659
Expected Income Per Shift						
					\$ 190,000	2.7

Low	\$ 1,110	\$ 1,137	\$	1,166	\$ 1,195	\$ 1,225	\$ 1,255
High	\$ 1,442	\$ 1,478	\$	1,515	\$ 1,553	\$ 1,592	\$ 1,632
Expected Income Per Trip							
Low	\$ 32	\$ 32	\$	33	\$ 34	\$ 35	\$ 36
High	\$ 41	\$ 42	\$	43	\$ 44	\$ 45	\$ 47

Net Income

Low	\$ -	\$ 2,122	\$	4,297	\$ 6,526	\$ 8,811	\$ 11,154
High	\$ 75,885	\$ 84,004	\$	88,226	\$ 92,554	\$ 96,990	\$ 101,536

Income per shift

Low	\$ 1,110	\$ 1,137	\$	1,166	\$ 1,195	\$ 1,225	\$ 1,255
High	\$ 1,442	\$ 1,478	\$	1,515	\$ 1,553	\$ 1,592	\$ 1,632

Net Income per shift

Low	\$ -	\$ 9	\$	18	\$ 27	\$ 37	\$ 46
High	\$ 333	\$ 350	\$	368	\$ 386	\$ 404	\$ 423

Net Income per week

Low	\$ -	\$ 44	\$	90	\$ 136	\$ 184	\$ 232
High	\$ 1,664	\$ 1,750	\$	1,838	\$ 1,928	\$ 2,021	\$ 2,115

Net Income per Year

Low	\$ -	\$ 2,299	\$	4,655	\$ 7,070	\$ 9,546	\$ 12,083
High	\$ 86,542	\$ 91,005	\$	95,579	\$ 100,267	\$ 105,072	\$ 109,998

Released

Annual Depreciation	
\$ 8,333	
\$ 974	
\$ 9,308	

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$41,600

Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cap	
Expectation	
n	
	\$182,000
	\$234,000

	1993	2013	
\$	20.67	\$55.48	
\$	9.55	\$25.63	
	\$81.12	\$	648.93

Released under RTI - DPC

\$	100,000	\$	50,000,000
	240		
	8		
	1920		
	\$		
	52.08		

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Annual Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

Licence
Car
Other Assets
Total

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Per Lic Total</i>	\$ 266,284	\$ 270,819	\$ 275,468	\$ 280,233	\$ 285,117	\$ 290,123
Required Income Per Shift	\$ 1,110	\$ 1,128	\$ 1,148	\$ 1,168	\$ 1,188	\$ 1,209
Required Income Per Trip	\$ 22,59	\$ 23,18	\$ 23,69	\$ 24,25	\$ 24,84	\$ 25,43
	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11
Expected Income	29%	28%	28%	27%	27%	26%

Low	\$	266,284	\$	272,941	\$	279,765	\$	286,759	\$	293,928	\$	301,276
High	\$	346,170	\$	354,824	\$	363,694	\$	372,787	\$	382,106	\$	391,659
Expected Income Per Shift												
Low	\$	1,110	\$	1,137	\$	1,166	\$	1,195	\$	1,225	\$	1,255
High	\$	1,442	\$	1,478	\$	1,515	\$	1,553	\$	1,592	\$	1,632
Expected Income Per Trip												
Low	\$	32	\$	32	\$	33	\$	34	\$	35	\$	36
High	\$	41	\$	42	\$	43	\$	44	\$	45	\$	47

Net Income

Low	\$	-	\$	2,122	\$	4,297	\$	6,526	\$	8,811	\$	11,154
High	\$	79,885	\$	84,004	\$	88,226	\$	92,554	\$	96,990	\$	101,536

Income per shift

Low	\$	1,110	\$	1,137	\$	1,166	\$	1,195	\$	1,225	\$	1,255
High	\$	1,442	\$	1,478	\$	1,515	\$	1,553	\$	1,592	\$	1,632

Net Income per shift

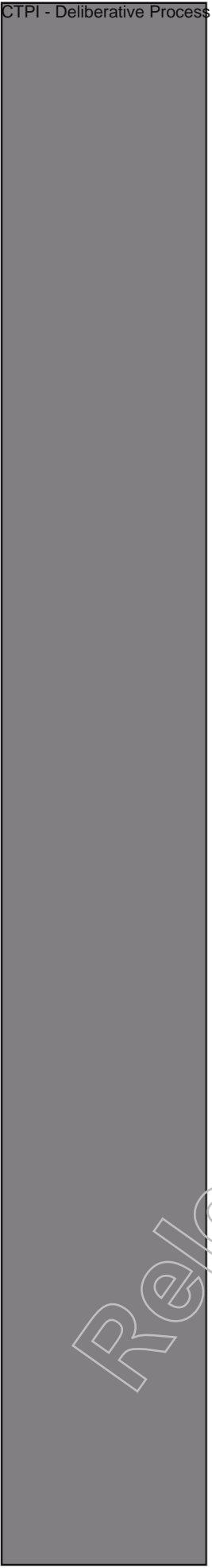
Low	\$	-	\$	9	\$	18	\$	27	\$	37	\$	46
High	\$	333	\$	350	\$	368	\$	386	\$	404	\$	423

Net Income per week

Low	\$	-	\$	44	\$	90	\$	136	\$	184	\$	232
High	\$	1,664	\$	1,750	\$	1,838	\$	1,928	\$	2,021	\$	2,115

Net Income per Year

Low	\$	-	\$	2,299	\$	4,655	\$	7,070	\$	9,546	\$	12,083
High	\$	86,542	\$	91,005	\$	95,579	\$	100,267	\$	105,072	\$	109,998



Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,663,620,000				\$ 510,000
	\$ 1,330,896,000	-\$ 332,724,000		332,724,000	\$ 408,000
	\$ 1,064,716,800	-\$ 266,179,200		598,903,200	\$ 326,400
	\$ 851,773,440	-\$ 212,943,360		811,846,560	\$ 261,120
	\$ 681,418,752	-\$ 170,354,688		982,201,248	\$ 208,896
	\$ 545,135,002	-\$ 136,283,750		1,118,484,998	\$ 167,117
	\$ 436,108,001	-\$ 109,027,000		1,227,511,999	\$ 133,693
	\$ 348,886,401	-\$ 87,221,600		1,314,733,599	\$ 106,955
	\$ 279,109,121	-\$ 69,777,280		1,384,510,879	\$ 85,564
	\$ 223,287,297	-\$ 55,821,824		1,440,332,703	\$ 68,451
	\$ 178,629,837	-\$ 44,657,459		1,484,990,163	\$ 54,761
	\$ 142,903,870	-\$ 35,725,967		1,520,716,130	\$ 43,809
	\$ 114,323,096	-\$ 28,580,774		1,549,296,904	\$ 35,047

New Drivers Per Year	25%	35%
New Drivers Per Year	3,235	4,529
Course Cost	\$ 2,550	2,550
Total Cost of Courses Per Year		

Discount rate	9.5%	9.5%
	\$ 86,840,921	\$ 121,577,289

Medical Test	
Travel time	15
Time (Mins)	10
Cost	\$ 93.50
Doc Cost of Time (per hour)	\$ 150
Driver Cost of Time (per hour)	\$ 50

32,353 67,940
 539 1,132
 108 226

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor	Low	High
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers	\$ 80,881	\$ 169,851
	\$ 139.33	\$ 160.17	Total Annual Cost	\$ 369,897	\$ 555,600
Total Cost Per Year	\$ 450,778	\$ 725,451	NPV	\$ 4,745,033	\$ 7,636,325

\$ 20.83 \$ 29.17

Bailment Agreement		Driver	Taxi Company
Time to fill in form (Hour)	1	1	1
Time to submit form (Hour)	2	2	2
Time to gain legal advice	3	3	3
Cost of legal advice	\$ 500		
Cost of fill in form	\$ 50	\$ 50	
Cost of submit form	\$ 100	\$ 100	
Cost of time on legal	\$ 150	\$ -	
Cost of DTMR managing form	\$ 200		
	\$ 1,000	\$ 150	
Total Cost per year	\$ 3,235,250	\$ 679,403	\$ 3,914,653

Item	\$M
Driver Training	
Medical Test	
Driver History	
Language Test	
Bailment Agreement	
Application Fee	
Total Cost	
Driver Authorisation	

Released Jepoun Pressed

PV	\$	34,055,263	\$	7,151,605	\$	41,206,868
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Depreciation
Supply
Constraint
Total

Driving History	
Time to access	2 3
Time to report	1 1
Total Time	3 4
Cost	\$ 150 \$ 200
Total Cost	\$ 485,288 \$ 905,870
PV	\$ 5,108,289 \$ 9,535,474

Language Test	
Fee	100
Time	4
Cost of time	\$ 200
Total cost per person	\$ 300
Total cost per year	\$ 970,575 \$ 1,358,805
PV	\$ 10,216,579 \$ 14,303,211

Application cost	
Fee	34.05
Cost	110,160
PV	1,159,582

Life	Asset Value	Annual Depreciation
	\$ 510,000	
6	\$ 50,000	\$ 8,333
6	\$ 5,845	\$ 974
	\$ 565,845	\$ 9,308

Roc Per Lic	Roc All Lic
\$ 51,000	\$ 166,362,000
\$ 76,500	\$ 249,543,000

\$ 76,500

\$ 1,751,178,947
\$ 2,626,768,421

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$41,600

Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48
Number of Lic	3,262
Number of drivers	12,941

B&W Cab	
Expectatio	
n	
	\$182,000
	\$234,000

1993

2013

\$ 190,000	\$ 20.67	\$ 55.48
2.7	\$ 9.55	25.63
	\$ 81.12	\$ 648.93
	\$	50,000,000
	\$ 100,000	
	240	
	8	1920
	\$	\$ 52.08

Released under RTI - DPC

CTPI - Deliberative Process

Page 357 redacted for the following reason:

CTPI - Deliberative Process

Released under RTI - DPC

\$ 2.50 \$ 25.00 \$ 37.50
 \$ 0.83 \$ 20.83 \$ 29.17

Annual Cost	PV
\$ 8,249,888	\$ 86,840,921
\$ 450,778	\$ 4,745,033
\$ 485,288	\$ 5,108,289
\$ 970,575	\$ 10,216,579
\$ 3,914,653	\$ 41,206,868
\$ 110,160	\$ 1,159,582
\$ 14,181,341	\$ 149,277,273

Annual	PV
\$ 14.18	\$ 149.28

Item	Annual Cost (\$M)	PV (\$M)
Driver Training	\$ 8.2	\$ 86.8
Medical Test	\$ 0.5	\$ 4.7
Driver History	\$ 0.5	\$ 5.1
Language Test	\$ 1.0	\$ 10.2
Bailment Agreement	\$ 3.9	\$ 41.2
Application Fee	\$ 0.1	\$ 1.2
Total Cost	\$ 14.2	\$ 149.3

\$	13.59	\$	135.70
\$	249.54	\$	2,626.77
\$	277.32	\$	2,911.75

Released under RTI - DPC

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

	Life
Licence	
Car	6
Other Assets	6
Total	

Revenue Required	1	2	3	4	5	6
Return on Capital	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
Sub Total	\$ 235,163	\$ 239,698	\$ 244,347	\$ 249,111	\$ 253,995	\$ 259,001
Required Income Per Shift	\$ 980	\$ 999	\$ 1,018	\$ 1,038	\$ 1,058	\$ 1,079
Required Income Per Trip	\$ 22,59	\$ 23,13	\$ 23,69	\$ 24,25	\$ 24,84	\$ 25,43

	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40
Expected Income		19%		19%		19%		18%		18%		18%		18%
Low	\$	235,163	\$	241,042	\$	247,068	\$	253,245	\$	259,576	\$	266,065		
High	\$	305,712	\$	313,354	\$	321,188	\$	329,218	\$	337,448	\$	345,885		
Expected Income Per Shift														
Low	\$	980	\$	1,004	\$	1,029	\$	1,055	\$	1,082	\$	1,109		
High	\$	1,274	\$	1,306	\$	1,338	\$	1,372	\$	1,406	\$	1,441		
Expected Income Per Trip														
Low	\$	28	\$	29	\$	29	\$	30	\$	31	\$	32		
High	\$	36	\$	37	\$	38	\$	39	\$	40	\$	41		

Net Income

Low	\$	-	\$	1,344	\$	2,721	\$	4,133	\$	5,580	\$	7,064
High	\$	70,549	\$	73,656	\$	76,842	\$	80,107	\$	83,453	\$	86,883

Income per shift

Low	\$	980	\$	1,004	\$	1,029	\$	1,055	\$	1,082	\$	1,109
High	\$	1,274	\$	1,306	\$	1,338	\$	1,372	\$	1,406	\$	1,441

Net Income per shift

Low	\$	-	\$	6	\$	11	\$	17	\$	23	\$	29
High	\$	294	\$	307	\$	320	\$	334	\$	348	\$	362

Net Income per week

Low	\$	-	\$	28	\$	57	\$	86	\$	116	\$	147
High	\$	1,470	\$	1,535	\$	1,601	\$	1,669	\$	1,739	\$	1,810

Net Income per Year

Low	\$	-	\$	1,456	\$	2,948	\$	4,478	\$	6,046	\$	7,653
High	\$	76,428	\$	79,794	\$	83,245	\$	86,782	\$	90,408	\$	94,124



Released under RTI - DPC

Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,663,620,000					\$ 510,000
	\$ 1,330,896,000	-\$ 332,724,000	-\$	332,724,000	-\$	408,000
	\$ 1,064,716,800	-\$ 266,179,200	-\$	598,903,200	-\$	326,400
	\$ 851,773,440	-\$ 212,943,360	-\$	811,846,560	-\$	261,120
	\$ 681,418,752	-\$ 170,354,688	-\$	982,201,248	-\$	208,896
	\$ 545,135,002	-\$ 136,283,750	-\$	1,118,484,998	-\$	167,117
	\$ 436,108,001	-\$ 109,027,000	-\$	1,227,511,999	-\$	133,693
	\$ 348,886,401	-\$ 87,221,600	-\$	1,314,733,599	-\$	106,955
	\$ 279,109,121	-\$ 69,777,280	-\$	1,384,510,879	-\$	85,564
	\$ 223,287,297	-\$ 55,821,824	-\$	1,440,332,703	-\$	68,451

\$ 178,629,837	-\$ 44,657,459	-\$ 1,484,990,163	\$ 54,761
\$ 142,903,870	-\$ 35,725,967	-\$ 1,520,716,130	\$ 43,809
\$ 114,323,096	-\$ 28,580,774	-\$ 1,549,296,904	\$ 35,047

New Drivers Per Year	25%	35%
New Drivers Per Year	3,235	4,529
Course Cost	\$ 2,550	2,550
Total Cost of Courses Per Year		

Discount rate	9.5%	9.5%
	\$ 86,840,921	\$ 121,577,289

Medical Test		
Travel time	15	20
Time (Mins)	10	15
Cost	\$ 93.50	
Doc Cost of Time (per hour)	\$ 150	
Driver Cost of Time (per hour)	\$ 50	

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor	\$ 80,881	\$ 169,851
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers	\$ 369,897	\$ 555,600
	\$ 139.33	\$ 160.17	Total Annual Cost	\$ 450,778	\$ 725,451
Total Cost Per Year	\$ 450,778	\$ 725,451	NPV	\$ 4,745,033	\$ 7,636,325

\$ 20.83 \$ 29.17

32,353 67,940
 539 1,132
 108 226
 \$ 2.50
 \$ 0.83

Released Under RTID

Bailment Agreement	Driver	Taxi Company
Time to fill in form (Hour)	1	1
Time to submit form (Hour)	2	2
Time to gain legal advice	3	
Cost of legal advice	\$ 500	
Cost of fill in form	\$ 50	\$ 50
Cost of submit form	\$ 100	\$ 100
Cost of time on legal	\$ 150	\$ -
Cost of DTMR managing form	\$ 200	
	\$ 1,000	\$ 150
Total Cost per year	\$ 3,235,250	\$ 679,403
PV	\$ 34,055,263	\$ 7,151,605
		\$ 41,206,868

Driving History		
Time to access	2	3
Time to report	1	1
Total Time	3	4
Cost	\$ 150	\$ 200
Total Cost	\$ 485,288	\$ 905,870
PV	\$ 5,108,289	\$ 9,535,474

Item	Annual Cost
Driver Training	\$ 8,249,888
Medical Test	\$ 450,778
Driver History	\$ 485,288
Language Test	\$ 970,575
Bailment Agreement	\$ 3,914,653
Application Fee	\$ 110,160
Total Cost	\$ 14,181,341

Language Test

Fee	100
Time	4
Cost of time	\$ 200
Total cost per person	\$ 300
Total cost per year	\$ 970,575
PV	\$ 10,216,579
	\$ 14,303,211

Application cost	
Fee	34.05
Cost	110,160
PV	1,159,582

Depreciation	Annual Depreciation	Increase in Annual Depreciation	Increase in Annual Depreciation for All Taxis in Queensland	PV for All Taxis in Queensland	\$	50,000
Six years	\$ 8,333					6
Eight years	\$ 6,250	\$ 2,083	\$ 6,795,833	\$ 71,535,088		8
Ten years	\$ 5,000	\$ 3,333	\$ 10,873,333	\$ 114,456,140		10
Twelve years	\$ 4,167	\$ 4,167	\$ 13,591,667	\$ 143,070,175		12

Released under RTI

Asset Value	Annual Depreciation
\$ 510,000	
\$ 50,000	\$ 8,333
\$ 5,845	\$ 974
\$ 565,845	\$ 9,308

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$41,600

Assumptions	
Cars Life	6
WACC	9.5%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cab Expectation	
	\$182,000
	\$234,000

Released under RTI - DPC

	1993	2013
\$ 190,000	\$ 20.67	\$ 55.48
2.7	\$ 9.55	25.63
\$ 100,000	\$ 81.12	\$ 1,158.81
240	\$ 50,000,000	
8		
	1920	\$ 52.08

Page 368 redacted for the following reason:

CTPI - Deliberative Process

Released under RTI - DPC

\$	25.00	\$	37.50
\$	20.83	\$	29.17

Released under RTI - DPC

PV	
\$ 86,840,921	
\$ 4,745,033	
\$ 5,108,289	
\$ 10,216,579	
\$ 41,206,868	
\$ 1,159,582	
\$ 149,277,273	

Item	Annual Cost (\$M)	PV (\$M)
Driver Training	\$ 8.2	\$ 86.8
Medical Test	\$ 0.5	\$ 4.7
Driver History	\$ 0.5	\$ 5.1
Language Test	\$ 1.0	\$ 10.2
Bailment Agreement	\$ 3.9	\$ 41.2
Application Fee	\$ 0.1	\$ 1.2
Total Cost	\$ 14.2	\$ 149.3

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

Licence
Car
Other Assets
Total

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 4,308	\$ 4,415	\$ 4,526	\$ 4,639	\$ 4,755	\$ 4,874
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Sub Total</i>	\$ 261,284	\$ 265,694	\$ 270,215	\$ 274,848	\$ 279,598	\$ 284,466
Required Income Per Shift	\$ 1,089	\$ 1,107	\$ 1,126	\$ 1,145	\$ 1,165	\$ 1,185
Required Income Per Trip	\$ 22,591	\$ 23,131	\$ 23,691	\$ 24,251	\$ 24,811	\$ 25,371

	\$	8.51	\$	8.50	\$	8.48	\$	8.47	\$	8.45	\$	8.43
		27%		27%		26%		26%		25%		25%
Expected Income												
Low	\$	261,284	\$	267,816	\$	274,512	\$	281,375	\$	288,409	\$	295,619
High	\$	339,670	\$	348,161	\$	356,865	\$	365,787	\$	374,932	\$	384,305
Expected Income Per Shift												
Low	\$	1,089	\$	1,116	\$	1,144	\$	1,172	\$	1,202	\$	1,232
High	\$	1,415	\$	1,451	\$	1,487	\$	1,524	\$	1,562	\$	1,601
Expected Income Per Trip												
Low	\$	31	\$	32	\$	33	\$	33	\$	34	\$	35
High	\$	40	\$	41	\$	42	\$	44	\$	45	\$	46
Net Income												
Low	\$	-	\$	2,122	\$	4,297	\$	6,526	\$	8,811	\$	11,154
High	\$	78,385	\$	82,467	\$	86,650	\$	90,939	\$	95,334	\$	99,839
Income per shift												
Low	\$	1,089	\$	1,116	\$	1,144	\$	1,172	\$	1,202	\$	1,232
High	\$	1,415	\$	1,451	\$	1,487	\$	1,524	\$	1,562	\$	1,601
Net Income per shift												
Low	\$	-	\$	9	\$	18	\$	27	\$	37	\$	46
High	\$	327	\$	344	\$	361	\$	379	\$	397	\$	416
Net Income per week												
Low	\$	-	\$	44	\$	90	\$	136	\$	184	\$	232
High	\$	1,633	\$	1,718	\$	1,805	\$	1,895	\$	1,986	\$	2,080
Net Income per Year												
Low	\$	-	\$	2,299	\$	4,655	\$	7,070	\$	9,546	\$	12,083
High	\$	84,917	\$	89,339	\$	93,871	\$	98,517	\$	103,278	\$	108,159
Current	\$	266,284	\$	270,819	\$	275,468	\$	280,233	\$	285,117	\$	290,123

Released Under DPC

Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,663,620,000						\$ 510,000
	\$ 1,330,896,000	-\$ 332,724,000	-\$	332,724,000			\$ 408,000
	\$ 1,064,716,800	-\$ 266,179,200	-\$	598,903,200			\$ 326,400
	\$ 851,773,440	-\$ 212,943,360	-\$	811,846,560			\$ 261,120
	\$ 681,418,752	-\$ 170,354,688	-\$	982,201,243			\$ 208,896
	\$ 545,135,002	-\$ 136,283,750	-\$	1,118,484,998			\$ 167,117
	\$ 436,108,001	-\$ 109,027,000	-\$	1,227,511,999			\$ 133,693
	\$ 348,886,401	-\$ 87,221,600	-\$	1,314,733,599			\$ 106,955
	\$ 279,109,121	-\$ 69,777,280	-\$	1,384,510,879			\$ 85,564
	\$ 223,287,297	-\$ 55,821,824	-\$	1,440,332,703			\$ 68,451
	\$ 178,629,837	-\$ 44,657,459	-\$	1,484,990,163			\$ 54,761
	\$ 142,903,870	-\$ 35,725,967	-\$	1,520,716,130			\$ 43,809
	\$ 114,323,096	-\$ 28,580,774	-\$	1,549,296,904			\$ 35,047

New Drivers Per Year	25%	35%
New Drivers Per Year	3,235	4,529

Course Cost	\$ 2,550	2,550
Total Cost of Courses Per Year		

Discount rate	9.5%	9.5%
	\$ 86,840,921	\$ 121,577,289

Medical Test	
Travel time	15 20
Time (Mins)	10 15
Cost	\$ 93.50
Doc Cost of Time (per hour)	\$ 150
Driver Cost of Time (per hour)	\$ 50

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor			
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers			
	\$ 139.33	\$ 160.17	Total Annual Cost			
Total Cost Per Year	\$ 450,778	\$ 725,451	NPV			

\$ 20.83 \$ 29.17

32,353 67,940
539 1,132
67 142
13 28

	Low	High
	\$ 80,881	\$ 169,851
	\$ 369,897	\$ 555,600
	\$ 450,778	\$ 725,451
	\$ 4,745,033	\$ 7,636,325

Bailment Agreement	
Time to fill in form (Hour)	1 1
Time to submit form (Hour)	2 2
Time to gain legal advice	3 3
Cost of legal advice	\$ 500
Cost of fill in form	\$ 50
Cost of submit form	\$ 100
Cost of time on legal	\$ 150
Cost of DTMR managing form	\$ 200
	\$ 1,000

Item
Driver Training
Medical Test
Driver History
Language Test
Bailment Agreement
Application Fee
Total Cost

Released Under Young Research

Total Cost per year	\$ 3,235,250	\$ 679,403
PV	\$ 34,055,263	\$ 7,151,605

Driving History

Time to access	2	3
Time to report	1	1
Total Time	3	4
Cost	\$ 150	\$ 200
Total Cost	\$ 485,288	\$ 905,870
PV	\$ 5,108,289	\$ 9,535,474

Language Test

Fee	100
Time	4
Cost of time	\$ 200
Total cost per person	\$ 300
Total cost per year	\$ 970,575
PV	\$ 10,216,579
	\$ 1,358,805
	\$ 14,303,211

Application cost

Fee	34.05
Cost	110,160
PV	1,159,582

Life	Asset Value	Annual Depreciation
	\$ 510,000	
15	\$ 50,000	\$ 3,333
6	\$ 5,845	\$ 974
	\$ 565,845	\$ 4,308

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$ 41,600

Assumptions	
Cars Life	15
WACC	15.0%
Inflation	2.5%
Resale Value	\$ 22,485
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cab	\$182,000
Expectation	\$234,000

	1993	2013
\$ 190,000	\$ 20.67	\$ 55.48
2.7	\$ 9.55	\$ 25.63
	\$	\$ 81.12
		\$ 648.93
		\$
\$ 100,000		\$ 50,000,000
240		
8	1920	\$ 52.08

CTPI - Deliberative Process

Released under RTI - DPC

Page 378 redacted for the following reason:

CTPI - Deliberative Process

Released under RTI - DPC

51000 \$ 166,362,000 \$ 1,751,178,947
 \$ 76,000 \$ 247,912,000 \$ 2,609,600,000
 \$ 280,800,000
 3,695

\$ 2.50 \$ 25.00 \$ 37.50
 \$ 0.83 \$ 20.83 \$ 29.17

Annual Cost		PV	Item	Low Annual Cost (\$M)	High Annual Cost (\$M)	Low PV (\$M)	High PV (\$M)
\$ 8,249,888	\$ 11,549,843	\$ 86,840,921	Driver Training	\$ 8.2	\$ 11.5	\$ 86.8	\$ 121.6
\$ 450,778	\$ 725,451	\$ 4,745,033	Medical Test	\$ 0.5	\$ 0.7	\$ 4.7	\$ 7.6
\$ 485,288	\$ 905,870	\$ 5,108,289	Driver History	\$ 0.5	\$ 0.9	\$ 5.1	\$ 9.5
\$ 970,575	\$ 1,358,805	\$ 10,216,579	Language Test	\$ 1.0	\$ 1.4	\$ 10.2	\$ 14.3
\$ 3,914,653	\$ 3,914,653	\$ 41,206,868	Bailment				
\$ 110,160	\$ 110,160	\$ 1,159,582	Agreement	\$ 3.9	\$ 3.9	\$ 41.2	\$ 41.2
\$ 14,181,341	\$ 18,564,781	\$ 149,277,273	Application Fee	\$ 0.1	\$ 0.1	\$ 1.2	\$ 1.2
			Total Cost	\$ 14.2	\$ 18.6	\$ 149.3	\$ 195.4

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals - supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

Licence
Car
Other Assets
Total

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 4,308	\$ 4,415	\$ 4,526	\$ 4,639	\$ 4,755	\$ 4,874
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
Sub Total	\$ 261,284	\$ 265,694	\$ 270,215	\$ 274,848	\$ 279,598	\$ 284,466
Required Income Per Shift	\$ 1,089	\$ 1,107	\$ 1,126	\$ 1,145	\$ 1,165	\$ 1,185
Required Income Per Trip	\$ 22,59	\$ 23,13	\$ 23,69	\$ 24,25	\$ 24,84	\$ 25,43
Expected Income	\$ 8,51	\$ 8,50	\$ 8,48	\$ 8,47	\$ 8,45	\$ 8,43
	27%	27%	26%	26%	25%	25%

Low	\$	261,284	\$	267,816	\$	274,512	\$	281,375	\$	288,409	\$	295,619
High	\$	339,670	\$	348,161	\$	356,865	\$	365,787	\$	374,932	\$	384,305
Expected Income Per Shift												
Low	\$	1,089	\$	1,116	\$	1,144	\$	1,172	\$	1,202	\$	1,232
High	\$	1,415	\$	1,451	\$	1,487	\$	1,524	\$	1,562	\$	1,601
Expected Income Per Trip												
Low	\$	31	\$	32	\$	33	\$	33	\$	34	\$	35
High	\$	40	\$	41	\$	42	\$	44	\$	45	\$	46

Net Income

Low	\$	-	\$	2,122	\$	4,297	\$	6,526	\$	8,811	\$	11,154
High	\$	78,385	\$	82,467	\$	86,650	\$	90,939	\$	95,334	\$	99,839

Income per shift

Low	\$	1,089	\$	1,116	\$	1,144	\$	1,172	\$	1,202	\$	1,232
High	\$	1,415	\$	1,451	\$	1,487	\$	1,524	\$	1,562	\$	1,601

Net Income per shift

Low	\$	-	\$	9	\$	18	\$	27	\$	37	\$	46
High	\$	327	\$	344	\$	361	\$	379	\$	397	\$	416

Net Income per week

Low	\$	-	\$	44	\$	90	\$	136	\$	184	\$	232
High	\$	1,633	\$	1,718	\$	1,805	\$	1,895	\$	1,986	\$	2,080

Net Income per Year

Low	\$	-	\$	2,299	\$	4,655	\$	7,070	\$	9,546	\$	12,083
High	\$	84,917	\$	89,339	\$	93,871	\$	98,517	\$	103,278	\$	108,159

Released Pursuant to FOIA

Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,872,210,000				\$ 510,000
	\$ 1,497,768,000	-\$ 374,442,000		374,442,000	\$ 408,000
	\$ 1,198,214,400	-\$ 299,553,600		673,995,600	\$ 326,400
	\$ 958,571,520	-\$ 239,642,880		913,638,480	\$ 261,120
	\$ 766,857,216	-\$ 191,714,304		1,105,352,784	\$ 208,896
	\$ 613,485,773	-\$ 153,371,443		1,258,724,227	\$ 167,117
	\$ 490,788,618	-\$ 122,697,155		1,381,421,382	\$ 133,693
	\$ 392,630,895	-\$ 98,157,724		1,479,579,105	\$ 106,955
	\$ 314,104,716	-\$ 78,526,179		1,558,105,284	\$ 85,564
	\$ 251,283,773	-\$ 62,820,943		1,620,926,227	\$ 68,451
	\$ 201,027,018	-\$ 50,256,755		1,671,182,982	\$ 54,761
	\$ 160,821,614	-\$ 40,205,404		1,711,388,386	\$ 43,809
	\$ 128,657,292	-\$ 32,164,323		1,743,552,708	\$ 35,047

New Drivers Per Year	25%	35%
New Drivers Per Year	3,235	4,529
Course Cost	\$ 2,550	2,550
Total Cost of Courses Per Year		

Discount rate	9.5%	9.5%
	\$ 86,840,921	\$ 121,577,289

Medical Test	
Travel time	15
Time (Mins)	10
Cost	\$ 93.50
Doc Cost of Time (per hour)	\$ 150
Driver Cost of Time (per hour)	\$ 150

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor		Low	High
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers			
	\$ 139.33	\$ 160.17	Total Annual Cost			
Total Cost Per Year	\$ 450,778	\$ 725,451	NPV			

\$ 20.83 \$ 29.17

32,353 67,940
539 1,132
67 142
13 28

Bailment Agreement	
Time to fill in form (Hour)	1
Time to submit form (Hour)	2
Time to gain legal advice	3
Cost of legal advice	\$ 500
Cost of fill in form	\$ 50
Cost of submit form	\$ 100
Cost of time on legal	\$ 150

Item	
Driver Training	
Medical Test	
Driver History	
Language Test	
Bailment Agreement	
Application Fee	
Total Cost	

Released JEPD

Cost of DTMR managing form	\$	200	
	\$	1,000	\$ 150
Total Cost per year	\$	3,235,250	\$ 679,403
PV	\$	34,055,263	\$ 7,151,605
			\$ 3,914,653
			\$ 41,206,868

Driving History

Time to access		2	3
Time to report		1	1
Total Time		3	4
Cost	\$	150	\$ 200
Total Cost	\$	485,288	\$ 905,870
PV	\$	5,108,289	\$ 9,535,474

Language Test

Fee		100
Time		4
Cost of time	\$	200
Total cost per person	\$	300
Total cost per year	\$	970,575
PV	\$	10,216,579
		\$ 1,358,805
		\$ 14,303,211

Application cost

Fee		34.05
Cost		110,160
PV		1,159,582

Life	Asset Value	Annual Depreciation
	\$ 510,000	
15	\$ 50,000	\$ 3,333
6	\$ 5,845	\$ 974
	\$ 565,845	\$ 4,308

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$ 41,600

Assumptions	
Cars Life	15
WACC	15.0%
Inflation	2.5%
Resale Value	\$ 22,485
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cab
Expectatio

\$182,000
\$234,000

1993

2013

\$ 190,000 \$ 20.67 \$ 55.48
2.7 \$ 9.55 \$ 25.63
81.12 \$ 648.93
\$ 50,000,000
\$ 100,000
240
1920 \$ 52.08

CTPI - Deliberative Process

Released under RTI - DPC

Page 387 redacted for the following reason:

CTPI - Deliberative Process

Released under RTI - DPC

\$ 2.50 \$ 25.00 \$ 37.50
 \$ 0.83 \$ 20.83 \$ 29.17

Annual Cost		PV		Item	Annual Cost (\$M)	Annual Cost (\$M)	PV (\$M)
\$ 8,249,888	\$ 11,549,843	\$ 86,840,921	\$ 121,577,289	Driver Training	\$ 8.2	\$ 11.5	\$ 86.8
\$ 450,778	\$ 725,451	\$ 4,745,033	\$ 7,636,325	Medical Test	\$ 0.5	\$ 0.7	\$ 4.7
\$ 485,288	\$ 905,870	\$ 5,108,289	\$ 9,535,474	Driver History	\$ 0.5	\$ 0.9	\$ 5.1
\$ 970,575	\$ 1,358,805	\$ 10,216,579	\$ 14,303,211	Language Test	\$ 1.0	\$ 1.4	\$ 10.2
\$ 3,914,653	\$ 3,914,653	\$ 41,206,868	\$ 41,206,868	Bailment Agreement	\$ 3.9	\$ 3.9	\$ 41.2
\$ 110,160	\$ 110,160	\$ 1,159,582	\$ 1,159,582	Application Fee	\$ 0.1	\$ 0.1	\$ 1.2
\$ 14,181,341	\$ 18,564,781	\$ 149,277,273	\$ 195,418,749	Total Cost	\$ 14.2	\$ 18.6	\$ 149.3

<http://www.blackandwhitecabs.com.au/?q=perth/buying-a-licence>

Years	
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Released under RTI - DPC

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals -- supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

	Life	Asset Value
Licence		\$ 510,000
Car	6	\$ 50,000
Other Assets	6	\$ 5,845
Total		\$ 565,845

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755	\$ 53,755
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Sub Total</i>	\$ 235,163	\$ 239,698	\$ 244,347	\$ 249,111	\$ 253,995	\$ 259,001
Required Income Per Shift	\$ 980	\$ 999	\$ 1,018	\$ 1,038	\$ 1,058	\$ 1,079
Required Income Per Trip						
	\$ 22.59	\$ 23.13	\$ 23.69	\$ 24.25	\$ 24.84	\$ 25.43

	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40	\$	5.40
		19%		19%		19%		18%		18%		18%		18%		18%		18%		18%

\$ 190,000

2.7

Expected Income																					
Low	\$	235,163	\$	241,042	\$	247,068	\$	253,245	\$	259,576	\$	266,065									
High	\$	305,712	\$	313,354	\$	321,188	\$	329,218	\$	337,448	\$	345,885									
Expected Income Per Shift																					
Low	\$	980	\$	1,004	\$	1,029	\$	1,055	\$	1,082	\$	1,109									
High	\$	1,274	\$	1,306	\$	1,338	\$	1,372	\$	1,406	\$	1,441									
Expected Income Per Trip																					
Low	\$	28	\$	29	\$	29	\$	30	\$	31	\$	32									
High	\$	36	\$	37	\$	38	\$	39	\$	40	\$	41									

Net Income

Low	\$	-	\$	1,344	\$	2,721	\$	4,133	\$	5,580	\$	7,064									
High	\$	70,549	\$	73,656	\$	76,842	\$	80,107	\$	83,453	\$	86,883									
Income per shift																					
Low	\$	980	\$	1,004	\$	1,029	\$	1,055	\$	1,082	\$	1,109									
High	\$	1,274	\$	1,306	\$	1,338	\$	1,372	\$	1,406	\$	1,441									

Net Income per shift

Low	\$	-	\$	6	\$	11	\$	17	\$	23	\$	29									
High	\$	294	\$	307	\$	320	\$	334	\$	348	\$	362									

Net Income per week

Low	\$	-	\$	28	\$	57	\$	86	\$	116	\$	147									
High	\$	1,470	\$	1,535	\$	1,601	\$	1,669	\$	1,739	\$	1,810									

Net Income per Year

Low	\$	-	\$	1,456	\$	2,948	\$	4,478	\$	6,046	\$	7,653									
High	\$	76,428	\$	79,794	\$	83,245	\$	86,782	\$	90,408	\$	94,124									

Current	\$ 261,284	\$ 265,694	\$ 270,215	\$ 274,848	\$ 279,598	\$ 284,466
Deregulated	\$ 189,784	\$ 194,319	\$ 198,968	\$ 203,733	\$ 208,617	\$ 213,623

CTPI - Deliberative Process

Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,663,620,000					\$ 510,000
	\$ 1,330,896,000	-\$ 332,724,000	-\$ 332,724,000	-\$ 332,724,000	-\$ 332,724,000	\$ 408,000
	\$ 1,064,716,800	-\$ 266,179,200	-\$ 266,179,200	-\$ 266,179,200	-\$ 266,179,200	\$ 326,400
	\$ 851,773,440	-\$ 212,943,360	-\$ 212,943,360	-\$ 212,943,360	-\$ 212,943,360	\$ 261,120
	\$ 681,418,752	-\$ 170,354,688	-\$ 170,354,688	-\$ 170,354,688	-\$ 170,354,688	\$ 208,896
	\$ 545,135,002	-\$ 136,283,750	-\$ 136,283,750	-\$ 136,283,750	-\$ 136,283,750	\$ 167,117
	\$ 436,108,001	-\$ 109,027,000	-\$ 109,027,000	-\$ 109,027,000	-\$ 109,027,000	\$ 133,693
	\$ 348,886,401	-\$ 87,221,600	-\$ 87,221,600	-\$ 87,221,600	-\$ 87,221,600	\$ 106,955
	\$ 279,109,121	-\$ 69,777,280	-\$ 69,777,280	-\$ 69,777,280	-\$ 69,777,280	\$ 85,564
	\$ 223,287,297	-\$ 55,821,824	-\$ 55,821,824	-\$ 55,821,824	-\$ 55,821,824	\$ 68,451

MILLIONS
 \$1,000
 \$900
 \$800
 \$700
 \$600
 \$500
 \$400
 \$300
 \$200
 \$100
 \$-

\$ 178,629,837	-\$ 44,657,459	-\$ 1,484,990,163	\$ 54,761
\$ 142,903,870	-\$ 35,725,967	-\$ 1,520,716,130	\$ 43,809
\$ 114,323,096	-\$ 28,580,774	-\$ 1,549,296,904	\$ 35,047

New Drivers Per Year	25%	35%
New Drivers Per Year	1,631	2,283
Course Cost	\$ 2,550	2,550
Total Cost of Courses Per Year		

Discount rate	9.5%	9.5%
	\$ 43,779,474	\$ 61,291,263

Medical Test		
Travel time	15	20
Time (Mins)	10	15
Cost	\$ 93.50	
Doc Cost of Time (per hour)	\$ 150	
Driver Cost of Time (per hour)	\$ 50	

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor	Low	High
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers	\$ 40,775	\$ 85,628
	\$ 139.33	\$ 160.17	Total Annual Cost	\$ 186,478	\$ 280,097
Total Cost Per Year	\$ 227,253	\$ 365,725	NPV	\$ 2,392,133	\$ 3,849,732

\$ 20.83 \$ 29.17

54 114 2.50 \$ 20.83
 16,310 34,251 0.83 \$
 272 571

Released Under RTI

Bailment Agreement	Driver	Taxi Company
Time to fill in form (Hour)	1	1
Time to submit form (Hour)	2	2
Time to gain legal advice	3	
Cost of legal advice	\$ 500	
Cost of fill in form	\$ 50	\$ 50
Cost of submit form	\$ 100	\$ 100
Cost of time on legal	\$ 150	\$ -
Cost of DTMR managing form	\$ 200	
	\$ 1,000	\$ 150
Total Cost per year	\$ 1,631,000	\$ 342,510
PV	\$ 17,168,421	\$ 3,605,368
		\$ 1,973,510
		\$ 20,773,789

Driving History		
Time to access	2	3
Time to report	1	1
Total Time	3	4
Cost	\$ 150	\$ 200
Total Cost	\$ 244,650	\$ 456,680
PV	\$ 2,575,263	\$ 4,807,158

Item	Annual Cost	PV
Driver Training	\$ 4,159,050	\$ 43,779,474
Medical Test	\$ 227,253	\$ 2,392,133
Driver History	\$ 244,650	\$ 2,575,263
Language Test	\$ 489,300	\$ 5,150,526
Bailment Agreement	\$ 1,973,510	\$ 20,773,789
Application Fee	\$ 55,536	\$ 584,585
Total Cost	\$ 7,149,298	\$ 75,255,771

Language Test

Fee	100
Time	4
Cost of time	\$ 200
Total cost per person	\$ 300
Total cost per year	\$ 489,300
PV	\$ 5,150,526
	\$ 7,210,737

Application cost	
Fee	34.05
Cost	55,536
PV	584,585

Depreciation	Annual Depreciation	Increase in Annual Depreciation	Increase in Annual Depreciation for All Taxis in Queensland	PV for All Taxis in Queensland	\$	50,000
Six years	\$ 8,333					6
Eight years	\$ 6,250	\$ 2,083	\$ 6,795,833	\$ 71,535,088		8
Ten years	\$ 5,000	\$ 3,333	\$ 10,873,333	\$ 114,456,140		10
Twelve years	\$ 4,167	\$ 4,167	\$ 13,591,667	\$ 143,070,175		12

Released under RTI

Annual Depreciation	
\$ 8,333	
\$ 974	
\$ 9,308	

Fuel Costs	
Cost of a Tank \$ 80.00	
Number of Tanks per shift 2	
Cost per shift \$ 160	
Cost per week \$ 300	
Cost per year \$ 41,600	

Assumptions	
Cars Life 6	
WACC 9.5%	
Inflation 2.5%	
Resale Value \$ 9,454	
Number of Shifts Per Year 240	
Number of Shifts Per week 5	
Number of Trips per Shift 35	
Hours Per Shift 8	
Number of Trips per Hour 4.4	
Weeks per year 48	

B&W Cab
Expectation

n	\$182,000
	\$234,000

Released under RTI - DPS

	1993	2013
\$	20.67	\$ 55.48
\$	9.55	\$ 25.63
		\$ 81.12
		\$ 1,158.81
		\$ 50,000,000
\$	100,000	
	240	
	8	1920
		\$ 52.08

Page 398 redacted for the following reason:

CTPI - Deliberative Process

Released under RTI - DPC

\$	37.50
\$	29.17

Released under RTI - DPC

Item	Annual Cost (\$M)	PV (\$M)
Driver Training	\$ 4.2	\$ 43.8
Medical Test	\$ 0.2	\$ 2.4
Driver History	\$ 0.2	\$ 2.6
Language Test	\$ 0.5	\$ 5.2
Bailment Agreement	\$ 2.0	\$ 20.8
Application Fee	\$ 0.1	\$ 0.6
Total Cost	\$ 7.1	\$ 75.3

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals -- supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Annual Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

Licence
Car
Other Assets
Total

\$ 51,000
\$ 76,500

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
Sub Total	\$ 266,284	\$ 270,819	\$ 275,468	\$ 280,233	\$ 285,117	\$ 290,123
Required Income Per Shift	\$ 1,110	\$ 1,128	\$ 1,148	\$ 1,168	\$ 1,188	\$ 1,209
Required Income Per Trip	\$ 27,559	\$ 28,13	\$ 28,69	\$ 29,25	\$ 29,84	\$ 30,43
	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11
	29%	28%	28%	27%	27%	26%
Expected Income						
Low	\$ 266,284	\$ 272,941	\$ 279,765	\$ 286,759	\$ 293,928	\$ 301,276

High	\$	346,170	\$	354,824	\$	363,694	\$	372,787	\$	382,106	\$	391,659
Expected Income Per Shift												
Low	\$	1,110	\$	1,137	\$	1,166	\$	1,195	\$	1,225	\$	1,255
High	\$	1,442	\$	1,478	\$	1,515	\$	1,553	\$	1,592	\$	1,632
Expected Income Per Trip												
Low	\$	32	\$	32	\$	33	\$	34	\$	35	\$	36
High	\$	41	\$	42	\$	43	\$	44	\$	45	\$	47

Net Income

Low	\$	-	\$	2,122	\$	4,297	\$	6,526	\$	8,811	\$	11,154
High	\$	79,885	\$	84,004	\$	88,226	\$	92,554	\$	96,990	\$	101,536

Income per shift

Low	\$	1,110	\$	1,137	\$	1,166	\$	1,195	\$	1,225	\$	1,255
High	\$	1,442	\$	1,478	\$	1,515	\$	1,553	\$	1,592	\$	1,632

Net Income per shift

Low	\$	-	\$	9	\$	18	\$	27	\$	37	\$	46
High	\$	333	\$	350	\$	368	\$	386	\$	404	\$	423

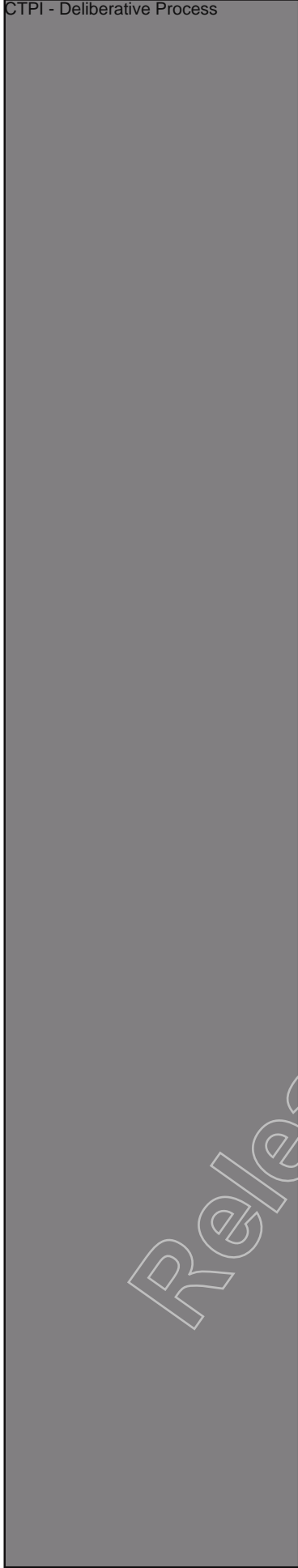
Net Income per week

Low	\$	-	\$	44	\$	90	\$	136	\$	184	\$	232
High	\$	1,664	\$	1,750	\$	1,838	\$	1,928	\$	2,021	\$	2,115

Net Income per Year

Low	\$	-	\$	2,299	\$	4,655	\$	7,070	\$	9,546	\$	12,083
High	\$	86,542	\$	91,005	\$	95,579	\$	100,267	\$	105,072	\$	109,998

Released Under FOIA



Released Under DPC

Taxi disability payments \$ 14,000,000

Value of all taxi lic	\$ 1,663,110,000				\$ 510,000
	\$ 1,330,488,000	-\$ 332,622,000	\$	332,622,000	\$ 408,000
	\$ 1,064,390,400	-\$ 266,097,600	-\$	598,719,600	\$ 326,400
	\$ 851,512,320	-\$ 212,878,080	\$	811,597,680	\$ 261,120
	\$ 681,209,856	-\$ 170,302,464	-\$	981,900,144	\$ 208,896
	\$ 544,967,885	-\$ 136,241,971	-\$	1,118,142,115	\$ 167,117
	\$ 435,974,308	-\$ 108,993,577	-\$	1,227,135,692	\$ 133,693
	\$ 348,779,446	-\$ 87,194,862	-\$	1,314,330,554	\$ 106,955
	\$ 279,023,557	-\$ 69,755,889	-\$	1,384,086,443	\$ 85,564
	\$ 223,218,846	-\$ 55,804,711	-\$	1,439,891,154	\$ 68,451
	\$ 178,575,076	-\$ 44,643,769	-\$	1,484,534,924	\$ 54,761
	\$ 142,860,061	-\$ 35,715,015	-\$	1,520,249,939	\$ 43,809
	\$ 114,288,049	-\$ 28,572,012	-\$	1,548,821,951	\$ 35,047

New Drivers Per Year	25%	35%
New Drivers Per Year	1,631	2,283
Course Cost	\$ 2,550	2,550
Total Cost of Courses Per Year		

Discount rate	9.5%	9.5%
---------------	------	------

\$ 43,766,053 \$ 61,272,474

Medical Test	
Travel time	15
Time (Mins)	10
Cost	93.50
Doc Cost of Time (per hour)	150
Driver Cost of Time (per hour)	50

16,305 34,241
272 571
54 114

Doc Cost	\$ 25.00	\$ 37.50	Cost to Doctor	\$ 40,763	\$ 85,601
Driver Cost	\$ 114.33	\$ 122.67	Cost to Drivers	\$ 186,421	\$ 280,011
	\$ 139.33	\$ 160.17	Total Annual Cost	\$ 227,183	\$ 365,612
Total Cost Per Year	\$ 227,183	\$ 365,612	NPV	\$ 2,391,400	\$ 3,848,552

\$ 20.83 \$ 29.17

Bailment Agreement	Driver	Taxi Company
Time to fill in form (Hour)	1	1
Time to submit form (Hour)	2	2
Time to gain legal advice	3	
Cost of legal advice	\$ 500	
Cost of fill in form	\$ 50	\$ 50
Cost of submit form	\$ 100	\$ 100
Cost of time on legal	\$ 150	-
Cost of DTMR managing form	\$ 200	
	\$ 1,000	\$ 150
Total Cost per Year	\$ 1,630,500	\$ 342,405
PV	\$ 17,163,158	\$ 3,604,263

\$ 1,972,905
\$ 20,767,421

Item
Driver Training
Medical Test
Driver History
Language Test
Bailment Agreement
Application Fee
Total Cost

Released by Japann Review

Driving History

Time to access	2	3
Time to report	1	1
Total Time	3	4
Cost	\$ 150	\$ 200
Total Cost	\$ 244,575	\$ 456,540
PV	\$ 2,574,474	\$ 4,805,684

Language Test

Fee	100
Time	4
Cost of time	\$ 200
Total cost per person	\$ 300
Total cost per year	\$ 489,150
PV	\$ 5,148,947

Application cost

Fee	34.05
Cost	55,519
PV	584,406

Life	Asset Value	Annual Depreciation
	\$ 510,000	
6	\$ 50,000	\$ 8,333
6	\$ 5,845	\$ 974
	\$ 565,845	\$ 9,308

10% \$ 187,221,000 \$ 1,970,747,368
 15% \$ 280,831,500 \$ 2,956,121,053

1993 2013
 \$ 190,000 \$ 20.67 \$ 55.48

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$41,600

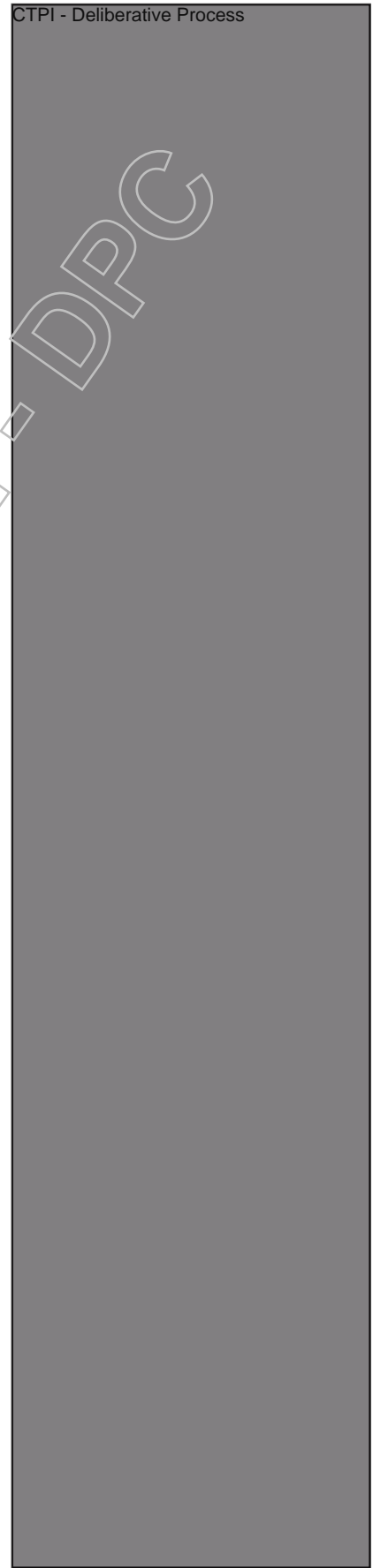
Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cab	
Expectation	
\$182,000	
\$234,000	

Released under RTI

2.7 \$	9.55 \$	25.63	
	\$	81.12 \$	648.93
		\$	50,000,000
	\$ 100,000		
	240		
	8	1920 \$	52.08

Released under RTI - DPC



CTPI - Deliberative Process

Page 408 redacted for the following reason:

CTPI - Deliberative Process

Released under RTI - DPC

\$ 2.50 \$ 25.00 \$ 37.50
 \$ 0.83 \$ 20.83 \$ 29.17

Annual Cost	PV
\$ 4,157,775	\$ 43,766,053
\$ 227,183	\$ 2,391,400
\$ 244,575	\$ 2,574,474
\$ 489,150	\$ 5,148,947
\$ 1,972,905	\$ 20,767,421
\$ 55,519	\$ 584,406
\$ 7,147,107	\$ 75,232,700

Item	Annual Cost (\$M)	PV (\$M)
Driver Training	\$ 4.2	\$ 43.8
Medical Test	\$ 0.2	\$ 2.4
Driver History	\$ 0.2	\$ 2.6
Language Test	\$ 0.5	\$ 5.1
Bailment Agreement	\$ 2.0	\$ 20.8
Application Fee	\$ 0.1	\$ 0.6
Total Cost	\$ 7.1	\$ 75.2

ESTABLISHMENT COSTS	
Licence Purchase	\$ 510,000
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 565,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

	Life	Asset Value
Licence		\$ 510,000
Car	6	\$ 50,000
Other Assets	6	\$ 5,845
Total		\$ 565,845

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877	\$ 84,877
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
Sub Total	\$ 266,284	\$ 270,819	\$ 275,468	\$ 280,233	\$ 285,117	\$ 290,123
Required Income Per Shift	\$ 1,110	\$ 1,128	\$ 1,148	\$ 1,168	\$ 1,188	\$ 1,209
Required Income Per Trip	\$ 22,599	\$ 23,133	\$ 23,669	\$ 24,205	\$ 24,841	\$ 25,473
	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11	\$ 9.11
	29%	28%	28%	27%	27%	26%
Expected Income						
Low	\$ 266,284	\$ 272,941	\$ 279,765	\$ 286,759	\$ 293,928	\$ 301,276
High	\$ 346,170	\$ 354,824	\$ 363,694	\$ 372,787	\$ 382,106	\$ 391,659
Expected Income Per Shift						

\$ 190,000
2.7

Low	\$ 1,110	\$ 1,137	\$	1,166	\$ 1,195	\$ 1,225	\$ 1,255
High	\$ 1,442	\$ 1,478	\$	1,515	\$ 1,553	\$ 1,592	\$ 1,632
Expected Income Per Trip							
Low	\$ 32	\$ 32	\$	33	\$ 34	\$ 35	\$ 36
High	\$ 41	\$ 42	\$	43	\$ 44	\$ 45	\$ 47

Net Income

Low	\$ -	\$ 2,122	\$	4,297	\$ 6,526	\$ 8,811	\$ 11,154
High	\$ 79,885	\$ 84,004	\$	88,226	\$ 92,554	\$ 96,990	\$ 101,536

Income per shift

Low	\$ 1,110	\$ 1,137	\$	1,166	\$ 1,195	\$ 1,225	\$ 1,255
High	\$ 1,442	\$ 1,478	\$	1,515	\$ 1,553	\$ 1,592	\$ 1,632

Net Income per shift

Low	\$ -	\$ 9	\$	18	\$ 27	\$ 37	\$ 46
High	\$ 333	\$ 350	\$	368	\$ 386	\$ 404	\$ 423

Net Income per week

Low	\$ -	\$ 44	\$	90	\$ 136	\$ 184	\$ 232
High	\$ 1,664	\$ 1,750	\$	1,838	\$ 1,928	\$ 2,021	\$ 2,115

Net Income per Year

Low	\$ -	\$ 2,299	\$	4,655	\$ 7,070	\$ 9,546	\$ 12,083
High	\$ 86,542	\$ 91,005	\$	95,579	\$ 100,267	\$ 105,072	\$ 109,998

Released Under the President John F. Kennedy Library Act

Annual Depreciation	
\$ 8,333	
\$ 974	
\$ 9,308	

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$41,600

Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Weeks per year	48

B&W Cab Expectation	
\$182,000	
\$234,000	

	1993	2013
\$	20.67	\$55.48
\$	9.55	\$25.63
	\$81.12	\$ 648.93

Released under RTI - DPC

\$	100,000	\$	50,000,000
	240		
	8		
	1920		
	\$		
	52.08		

ESTABLISHMENT COSTS	
Licence Purchase	
Basic Installation	\$ 2,500
Hail light	\$ 175
Hail Light shelf	\$ 150
Decals – supply and fit	\$ 2,500
Meter	\$ 520
Car	\$ 50,000
Total	\$ 55,845

Operating Costs	
Service Fees	\$ 9,400
Registration	\$ 1,100
Insurance	\$ 10,000
Vehicle repairs & maintenance (will vary with age of car)	\$ 10,000
Driver Pay	\$ 100,000
Fuel	\$ 41,600
Total	\$ 172,100

	Life	Asset Value
Licence		\$ -
Car	6	\$ 50,000
Other Assets	6	\$ 5,845
Total		\$ 55,845

	1	2	3	4	5	6
Revenue Required						
Return on Capital	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377	\$ 8,377
Return of Capital	\$ 9,308	\$ 9,540	\$ 9,779	\$ 10,023	\$ 10,274	\$ 10,531
Opex & Maint	\$ 172,100	\$ 176,403	\$ 180,813	\$ 185,333	\$ 189,966	\$ 194,715
<i>Sub Total</i>	\$ 189,784	\$ 194,319	\$ 198,968	\$ 203,733	\$ 208,617	\$ 213,623
Required Income Per Shift	\$ 791	\$ 810	\$ 829	\$ 849	\$ 869	\$ 890
Required Income Per Trip						

Expected Income						
Low	\$ 189,784	\$ 194,529	\$ 199,392	\$ 204,377	\$ 209,486	\$ 214,723
High	\$ 246,720	\$ 252,888	\$ 259,210	\$ 265,690	\$ 272,332	\$ 279,140
Expected Income Per Shift						
Low	\$ 791	\$ 811	\$ 831	\$ 852	\$ 873	\$ 895
High	\$ 1,028	\$ 1,054	\$ 1,080	\$ 1,107	\$ 1,135	\$ 1,163
Expected Income Per Trip						

\$ 190,000

Low	\$	23	\$	23	\$	24	\$	24	\$	25	\$	26
High	\$	29	\$	30	\$	31	\$	32	\$	32	\$	33

Net Income

Low	\$	-	\$	209	\$	424	\$	644	\$	870	\$	1,101
High	\$	56,935	\$	58,568	\$	60,242	\$	61,957	\$	63,716	\$	65,518

Income per shift

Low	\$	791	\$	811	\$	831	\$	852	\$	873	\$	895
High	\$	1,028	\$	1,054	\$	1,080	\$	1,107	\$	1,135	\$	1,163

Net Income per shift

Low	\$	-	\$	1	\$	2	\$	3	\$	4	\$	5
High	\$	237	\$	244	\$	251	\$	258	\$	265	\$	273

Net Income per week

Low	\$	-	\$	4	\$	9	\$	13	\$	18	\$	23
High	\$	1,186	\$	1,220	\$	1,255	\$	1,291	\$	1,327	\$	1,365

Net Income per Year

Low	\$	-	\$	227	\$	459	\$	698	\$	942	\$	1,193
High	\$	61,680	\$	63,449	\$	65,262	\$	67,120	\$	69,025	\$	70,978

Released in Pursuant to RTIA

Annual Depreciation	
\$ 8,333	
\$ 974	
\$ 9,308	

Fuel Costs	
Cost of a Tank	\$ 80.00
Number of Tanks per shift	2
Cost per shift	\$ 160
Cost per week	\$ 800
Cost per year	\$41,600

Assumptions	
Cars Life	6
WACC	15.0%
Inflation	2.5%
Resale Value	-\$ 9,454
Number of Shifts Per Year	240
Number of Shifts Per week	5
Number of Trips per Shift	35
Hours Per Shift	8
Number of Trips per Hour	4.4
Number of Trips per year	8,400

13.71

1993	2013
\$ 20.67	\$ -
\$ 9.55	\$ -
\$ -	\$ -
\$ -	\$ -
\$ -	\$ 50,000,000

Released under RTI - DPC

\$	266,284
\$	189,784
\$	76,500
	29%

**Darwin Taxi Rates
Northern Territory**

Peak Rates (06:00 - 17:59)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$4.20	\$1.49 Free	\$53.73/hour
Off Peak Rates (18:00 - 05:59 + Saturday & Sunday)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$5.00	\$1.83 Free	\$53.73/hour

**Brisbane Taxi Rates
Queensland**

Peak Rates (07:00 - 19:00)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$2.90	\$2.14	\$1.50 \$47.40/hour
Off Peak Rates (19:01 - 06:59 + Saturday & Sunday)			
Flag Fall	Distance Rate	Booking Fee	Waiting Time
	\$6.30	\$2.14	\$1.50 \$47.40/hour

Distance	10 km	
	Peak	Off Peak
Darwin Fare	\$ 19.08	\$ 19.79
Brisbane Fare	\$ 24.30	\$ 23.30
	-\$ 5.22	-\$ 3.51
	-27%	-18%

Wellington

1.49
2.43
0.94
63%

		New
Licence Purchase	\$ 510,000	
Number of taxi licences	3,094	5,000
Total Value	\$ 1,577,940,000	



Released under RTI - DPC

	Number of Licences	Est Value	Est Value
Brisbane	1,867	\$ 510,000	\$ 952,170,000

\$M	Annual
-----	--------

Ipswich	68	\$	450,000	\$	30,600,000
Redcliffe	37	\$	350,000	\$	12,950,000
Gold Coast	357	\$	500,000	\$	178,500,000
Provincial Cities	765	\$	300,000	\$	229,500,000
Total	3,094				\$ 1,403,720,000

\$ 174,220,000

Driver	
Authorisation	\$ 14.20
Depreciation	\$ 12.90
Supply	
Constraint	\$262.50
Total	\$289.60

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40%	30%
	80%
	\$ 315,588,000
9	10
	\$ 94,676,400

50%	50%
\$ -	\$ 47,338,200

\$ 38,482 \$ 42,330 \$46,563 \$51,219 \$56,341 \$61,975 \$68,173 \$74,990 \$82,489 \$90,738 \$99,812

PV

\$ 149.30
\$ 135.70
\$ 2,760.00
\$ 3,045.00

Released under RTI - DPC

Average Price	\$ 510,000		
Number of Licences	3,262	\$ 2,191	\$ 34,337
Number of Licence Owners	2,191	\$ 3,262	\$ 23,063

<i>Contracted Area</i>	<i>Conventional</i>	<i>Wheelchair</i>
Brisbane	\$523,000	\$356,000
Bundaberg	\$293,200	\$163,940
Cairns	\$500,940	\$363,216
Gladstone	\$246,900	\$66,420
Gold Coast	\$581,936	\$418,415
Gympie	\$229,092	\$100,294
Hervey Bay	\$336,160	\$327,560
Innisfail	\$138,380	\$28,250
Ipswich	\$347,000	\$140,160
Mackay	\$396,400	\$287,802
Maryborough	\$158,696	\$101,120
Mt Isa	\$217,936	\$22,500
Redcliffe	\$419,700	\$277,000
Rockhampton	\$284,000	\$148,600
Sunshine Coast	\$435,600	\$341,200
Toowoomba	\$354,000	\$298,000
Townsville	\$467,200	\$301,300
Yeppoon	\$182,150	\$138,167

Released under RTI - DPC

Christine Tozer

From: Cathy Kohn <Cathy.Kohn@slq.qld.gov.au>
Sent: Thursday, 12 March 2015 11:06 AM
To: Christine Tozer
Subject: RT 16002 Taxi industry statistics

Christine, Attached is the research I found for you on Queensland taxi industry statistics. I hope it is helpful. There was not much out there. If you need anything else let me know.

http://grail.slq.qld.gov.au/downloads/1_GRAILRT/2015/RT16002/RT16002reply.docx

Regards,

Cathy Kohn | Research Librarian |
GRAIL (Government Research & Information Library) |
State Library of Queensland | PO Box 3488 | South Brisbane 4101 |
T +61 7 3842 9019 | e cathy.kohn@slq.qld.gov.au | w grail.slq.qld.gov.au

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SLQ

RefTracker No: RT16002

Client: Christine Tozer

Request: Are you able to source taxi patronage numbers/trends? Apparently the taxi companies don't all make this data available to the Department of Transport and Main Roads.

If available, passenger trip numbers and average length of trip would be useful, as well as average fare.

Data over the past 5 years would be ideal, for south-east Queensland if possible.

Australian Taxi Industry Association

Queensland taxi statistics available for 2004 to 2013. Includes Average Fair (\$) and Average Job (km) Metro.

2013 <http://www.atia.com.au/wp-content/uploads/2013-State-Territory-Taxi-Statistics.pdf>

Earlier <http://www.atia.com.au/taxi-statistics/>

State and Territory Taxi Industry Reports

<http://www.atia.com.au/publications/state-territory-taxi-industry-reports/>

Has Queensland section saying trends in industry

IBISWorld Industry Report I4626 Taxi and Limousine Transport in Australia 2015

http://grail.slq.qld.gov.au/downloads/1_GRAILRT/2015/RT16002/IBISWorldReport.pdf

Queensland Taxi Statistics (as at Aug 2014)

Taxi Council Queensland

http://www.tcq.org.au/uploads/3/0/6/0/30604245/queensland_taxi_statistics_as_at_august_2014.pdf

Gives Numbers of Licences only for all areas in Queensland

Technical Input for Taxi Industry Strategy Plan

2009

Queensland Department of Transport and Main Roads

http://www.tmr.qld.gov.au/~media/busind/Taxiandlimousine/Taxi%20strategic%20plan/Pdf_taxi_strategy_plan_technical_input.pdf

To assist in the development of the draft Queensland Taxi Strategic Plan 2010–2015, the department engaged consultants to conduct interviews and forums with industry representatives, review industry performance data and conduct international research. The report produced has provided technical input into the development of the strategic plan.

Standard peak taxi services data 85% target

Percentage of standard taxi services arriving within 18 minutes during peak periods. Each operator has a target of 85% of booked services arriving within the designated time limit.

<https://data.qld.gov.au/dataset/standard-peak-minimum-taxi-service-levels/resource/4b70fc2f-3af9-4a07-a2d8-c5d72269e0fd>

Standard peak taxi services – 95% target

Percentage of standard taxi services arriving within 30 minutes during peak periods. Each operator has a target of 95% of booked services arriving within the designated time limit

<https://data.qld.gov.au/dataset/standard-peak-minimum-taxi-service-levels/resource/dba2a622-cd72-4efc-88fa-498800eda742>

There are other datasets in relation to Accessible peak – Minimum taxi service levels for Accessible taxis (wheelchair accessible taxis. And Standard offpeak – Minimum taxi service levels. If you need this data it is on Queensland Government data web site

<https://data.qld.gov.au/dataset?tags=transport&page=2>

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Released under RTI - DPC

Christine Tozer

From: Katie Carlson
Sent: Monday, 2 March 2015 8:17 AM
To: Rachel Lunnon; Christine Tozer; Christina McConville; Paul Kamppi
Subject: FW: Stakeholder lists
Attachments: Agency Stakeholder List - Master.xlsx

Follow Up Flag: Follow up
Flag Status: Flagged

FYI

From: Nicholas Dowie
Sent: Monday, 2 March 2015 8:06 AM
To: Katie Carlson; Glenn Case; Honor White; Giverny Atkins; Marcus Yip
Subject: FW: Stakeholder lists

NB – See Attached a list of key stakeholders agencies have prepared for the Premier's Office.

From: Craig Wilson
Sent: Wednesday, 18 February 2015 1:25 PM
To: Anthony Crack; Nicholas Dowie; Glenn Case
Subject: FW: Stakeholder lists

Craig Wilson

Senior Executive Director | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane 4000.
Phone: 07 300 39459 | mob: [REDACTED] e-mail: craig.wilson@premiers.qld.gov.au
Information



From: Laura Wright
Sent: Wednesday, 18 February 2015 9:16 AM
To: Christine Castley; Craig Wilson
Cc: Sarah Buckler
Subject: FW: Stakeholder lists

Hi Christine and Craig,

Please find the master agency stakeholder list attached. Please note I'm waiting on lists from Qld Health and QRA – unless you have already received these? I'm sorry I haven't had time to format this list so it all looks the same.

Thank you.

Laura

Laura Wright

Senior Executive Assistant | Office of the Director-General
Department of the Premier and Cabinet
laura.wright@premiers.qld.gov.au | 07 300 39389 | [REDACTED]

Please consider the environment before printing this email.

From: Sarah Buckler
Sent: Wednesday, 18 February 2015 9:05 AM
To: David Hourigan
Cc: Craig Wilson; Christine Castley; Clinton De Bruyn; Laura Wright; Tim Herbert; Glenys Jenkin
Subject: RE: Stakeholder lists

Ok – we have just provided to the Premier’s Office a list of key community and NGO contacts this morning.

The broader Departmental lists are consolidated in a large spreadsheet with tabs for each agency as they were unable to be consolidated in similar format given timeframes and other priorities.
Christine and Craig – I will have Laura send this to you.

Will ring you both to discuss. Sarah
Kind Regards

Sarah Buckler
Senior Executive Director | Office of the Director-General
Department of the Premier and Cabinet
sarah.buckler@premiers.qld.gov.au | 07 300 39390

Great State. Great opportunity. And a plan for the future.

Please consider the environment before printing this email.

From: David Hourigan
Sent: Wednesday, 18 February 2015 8:53 AM
To: Sarah Buckler
Cc: Craig Wilson; Christine Castley; Clinton De Bruyn
Subject: FW: Stakeholder lists

Sarah

These are still required – see below, can you urgently organise for christe/craig and co to cull and finalise this am
ta

David Hourigan
Deputy Director-General
Policy Division
Department of the Premier and Cabinet
Ph: (07) 300 39280
david.hourigan@premiers.qld.gov.au



From: Tim Herbert
Sent: Wednesday, 18 February 2015 8:45 AM
To: David Hourigan
Subject: FW: Stakeholder lists

David, will give you a call about this.

Tim Herbert
General Manager | Government Services
Department of the Premier and Cabinet
tim.herbert@premiers.qld.gov.au
07 300 39279 s.73 Personal Information

Great State. Great opportunity.

Please consider the environment before printing this email.

From: Peter Nibbs [<mailto:Peter.Nibbs@ministerial.qld.gov.au>]
Sent: Wednesday, 18 February 2015 8:34 AM
To: Tim Herbert
Subject: Stakeholder lists

Tim...

Did the key stakeholder lists end up getting finalised?

Peter

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Company	First Name	Surname	Position	Phone	Email	Postal Address
AgForce Queensland	Grant	Maudsley	General President	3236 3100 EA: Gilly Graham	generalpresident@agforceqld.org.au	PO Box 13186, North Bank Place, Cnr Anne and George St, Brisbane QLD 4003
AEG Ocean Pty Ltd	Harvey	Lister	Chief Executive Officer and Chairman	3363 3666 EA: Vicki-Jane Neerman 0418 727 729	hlister@aegocem.com	GPO Box 1040 Brisbane Qld 4001
Aurizon Holdings Limited	Allyson	Mislan	Stakeholder Relations Manager	32055353	Allyson.mislan@aurizon.com.au	GPO Box 456 Brisbane Qld 4001
Australian Asphalt Pavement Association	Rob	Vos	State Executive Officer – Queensland	3360 7940 EA: Christine Everson (Mon, Tue, Wed, Fri)	robert.vos@aapa.asn.au	HI-Tech Court Eight Mile Plains Qld 4113
Australian Maritime Safety Authority	Mick	Whley	Chief Executive Officer	02 6279 5039	ceo@amsa.gov.au	GPO Box 2181 Canberra ACT 2601
Cement Concretes and Aggregates Australia	Aaron	Johnstone	Exec Director – Queensland	EA: Kris Orlando 0405 780 538 3227 5210 2227 5200 EA: Cassandra / Jill	Aaron.johnstone@ccaa.com.au	Suite 2, Level 2, 485 Ipswich Road Annerley Qld 4103
Civil Contractors Federation	Robert	Row	Chief Executive Officer (Queensland)	3380 2951	rrow@ccfqlld.com	11 HI-Tech Court Eight Mile Plains Qld 4113
Consult Australia	Stacey	Rawlings	Queensland State Manager	3733 0785	Stacey@consultaustralia.com.au	PO Box 55 Fortitude Valley Qld 4006
International Association of Public Transport (UITP)	Rob	Pearce	Executive Director	03 9077 4045	Rob.pearce@uitp.org	PO Box 258 Brunswick VIC 3055
Local Government Association of Queensland	Greg	Hallam PSM	Chief Executive Officer	3000 3231 3000 3230 EA: John Greyling 07 8 987 102	Greg.hallam@lgaq.asn.au	PO Box 2230 Fortitude Valley Qld 4006
Motor Accident Insurance Commission	Neil	Sington	Insurance Commissioner	3033 6540 3035 2331	(all invites)	GPO Box 1083 Brisbane Qld 4001
Queensland Bus Industry Council	David	Tape	Executive Director	3397 1700 EA: Sarah Multhead 0407 002 970	Neill.sington@treasury.qld.gov.au Brenda.stevn@mbx.qld.gov.au manager@qbc.com.au (Other) info@qbc.com.au	PO Box 324 Stones Corner Qld 4120
Queensland Council of Social Service Limited	Mark	Henley	CEO	3004 6903 EA: Tina	markhenley@csss.org.au info@csss.org.au	PO Box 3786 South Brisbane Qld 4101
Queensland Major Contractors Association	Iain	Ward	President (not confirmed until 13/2/15)	3900 3095 EA: Lorelei Broadbent	ward@qmcra.com.au	GPO Box 3254 Brisbane Qld 4001
Transurban Queensland	Wes	Balantine	Group General Manager, Queensland	3323 0050 EA: Tabitha Bradley 3323 0110	Bradley@transurban.com	PO Box 2425 Mansfield Qld 4122
Queensland Resources Council	Michael	Rochie	Chief Executive	3205 0550 EA: Lisa Wade	wbalantine@transurban.com michael@qrc.org.au	Level 13, 133 Mary Street Brisbane Qld 4000
Queensland Transport and Logistics Council	Rebecca	Michael	Chief Executive Officer (Queensland Transport and Logistics Council)	Chairman	rebeccam@qtlc.com.au	PO Box 335 Ashgrove West 4060
Queensland Trucking Association	Peter	Garske	Chief Executive Officer	3394 4358 EA: Justine Parfies	peter@qta.com.au	PO Box 325 Stones Corner Qld 4120
Roads Australia	Ian	Webb	Chief Executive Officer	0418 724 981	ianwebb@roads.org.au	Level 2, 1375 St Kilda Road Melbourne VIC 3001
Royal Automobile Club of Queensland	Ian	Gillespie	Group Chief Executive Officer	09 9621 5255 EA: Thao Nguyen 0418 556 485	ian.gillespie@racq.com.au	PO Box 4 Springwood Qld 4127
Salvation Army	Adam	Cole	Queensland State Coordinator	EA: Elizabeth Sallows 0428 250 223	adam.cole@aus.salvationarmy.org	PO Box 258 Belmore NSW 2192
Taxi Council of Queensland	Benjamin	Wash	Chief Executive Officer	3434 2100 EA: Nils Cho	ceo@taxi.org.au	PO Box 250 Stones Corner Qld 4120
Tourism and Transport Forum	Trent	Zimmerman	Deputy CEO and Director for Transport Policy	02 9240 2047	tzimmerman@ttf.org.au	PO Box 113004 Royal Exchange, Sydney NSW 1225
Representative from academic sector – University of Queensland	Phil	Charles	Professor, University of Queensland	3365 4356	philcharles@uq.edu.au	Level 5, Room 555 Advanced Engineering Building (49) The University of Queensland Queensland 4072 Australia
Council on the Ageing	Mark	Tucker-Franks	Chief Executive	3316 2999	mt@cotqld.org.au	PO Box 15325 City East 4001
Queensland Disability Advisory Council	Sharon	Boyce	Chair, Queensland Disability Advisory Council and Regional Chair, South West Regional Disability Advisory Council		sharon@qsdac.org.au	3 Girrawheen St Toowoomba 4350

CONSULTATION DRAFT LIST OF 2015 GOVERNMENT ELECTION COMMITMENTS

SECTA	Minister	Department	Function	Source Document (POL = Premier's Office List) TRM = TRM Ref#	Source Document TRM Ref#	Electoral Commitment	Compilation Statement (DRAFT)	Cost (\$)	Expected Delivery Date (dd/mm/yyyy)	Local Government Area	State Electorate	Statistical Area/s
264	Minister for Transport	Department of Transport and Main Roads	Transport	Fraser Coast, 28 January 2015 Queensland Times, 29 January 2015; Irishman's Times, 21 January 2015; Stakeholder letter, RAIL Back on Track - 20 January 2015	DOC/15/22438	Marborough will receive part of the \$60 million from the Transport Infrastructure Development Scheme to go towards establishing a transport hub in the heritage city. Conduct a comprehensive expert-led review of the public transport in Queensland (including the Transit Line fare structure) within 12 months to determine the optimum fare strategy for South East Queensland that will be fair, affordable, help to boost patronage and deliver a sustainable fare revenue stream to allow the network to continue to grow.	Transport hub established. Review complete.	(Part of Transport Infrastructure Development Scheme) Existing Resources	Over 12 months	Fraser Coast WOS	Marborough WOS	Wide Bay WOS
265	Minister for Transport	Department of Transport and Main Roads	Transport	Fraser Coast, 28 January 2015 Queensland Times, 29 January 2015; Irishman's Times, 21 January 2015; Stakeholder letter, RAIL Back on Track - 20 January 2015	DOC/15/22438	Marborough will receive part of the \$60 million from the Transport Infrastructure Development Scheme to go towards establishing a transport hub in the heritage city. Conduct a comprehensive expert-led review of the public transport in Queensland (including the Transit Line fare structure) within 12 months to determine the optimum fare strategy for South East Queensland that will be fair, affordable, help to boost patronage and deliver a sustainable fare revenue stream to allow the network to continue to grow.	Transport hub established. Review complete.	(Part of Transport Infrastructure Development Scheme) Existing Resources	Over 12 months	Fraser Coast WOS	Marborough WOS	Wide Bay WOS
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305	Minister for Transport	Department of Transport and Main Roads	Transport	Fraser Coast, 28 January 2015 Queensland Times, 29 January 2015; Irishman's Times, 21 January 2015; Stakeholder letter, RAIL Back on Track - 20 January 2015	DOC/15/22438	Marborough will receive part of the \$60 million from the Transport Infrastructure Development Scheme to go towards establishing a transport hub in the heritage city. Conduct a comprehensive expert-led review of the public transport in Queensland (including the Transit Line fare structure) within 12 months to determine the optimum fare strategy for South East Queensland that will be fair, affordable, help to boost patronage and deliver a sustainable fare revenue stream to allow the network to continue to grow.	Transport hub established. Review complete.	(Part of Transport Infrastructure Development Scheme) Existing Resources	Over 12 months	Fraser Coast WOS	Marborough WOS	Wide Bay WOS

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GEC no. / Minister	Department	Function	Source Document (POL = Premier's Office List)	Source Document Title/Ref	Election Commitment	Completion Statement (DMAT)	Cost (\$)	Expected Delivery Date (dd/mm/yyyy)	Local Government Area	State Electorate	Statistical Area/s
327	Department of Transport and Main Roads	Transport	Letter to Peter Wellington MP - 5 February 2015	DOC/15/2527	Reinstate the upgrade of Hamboor's rail station to allow disability access as a priority project and ensure the car park upgrade is complete.				Sunshine Coast	Nicklin	Sunshine Coast
385	Department of Transport and Main Roads	Transport	Stakeholder letter, Vision Australia - 21 January 2015; Stakeholder letter, Queenslanders with Disability Network - 29 January 2015.	DOC/15/2192 DOC/15/21978	The Newman Government re-prioritises/funding for Hamboor's rail station's upgrade to allow disability access in 2015. Make public transport more accessible and easy to use for people with a disability. Continue to develop and roll out ticketing options such as the Vision Impairment Travel Pass. As part of this process we will work co-operatively with peak bodies such as Vision Australia and Disability Network.			WOS	WOS	WOS	
386	Department of Transport and Main Roads	Transport	Stakeholder letter, Vision Australia - 21 January 2015; Stakeholder letter, Queenslanders with Disability Network - 29 January 2015.	DOC/15/2192 DOC/15/21978	Maintain funding for the Taxi Subsidy Scheme (TSS) and look to improve and enhance the TSS where funding becomes available.			WOS	WOS	WOS	
387	Department of Transport and Main Roads	Transport	Stakeholder letter, Vision Australia - 21 January 2015; Stakeholder letter, Queenslanders with Disability Network - 29 January 2015.	DOC/15/2192 DOC/15/21978	Support the roll-out of real-time passenger information on the public transport network. As part of this roll-out we will work closely with groups such as Vision Australia and the Queenslanders with a Disability Network to maximise the ways people with a disability or vision impairment are able to make use of this new technology.	Real-time passenger information on the public transport network is rolled out		WOS	WOS	WOS	
459	Department of Transport and Main Roads	Transport	Stakeholder letter, Lesley Hardy - 28 January 2015	DOC/15/3542	Specific work with all participants in the taxi industry to ensure that laws are upheld, competition is fair, and the needs of customers are put first. Work to assist Uber and other ride-share applications, we will pursue the imposition of different points if laws are being deliberately flouted.	Existing resources		WOS	WOS	WOS	
460	Department of Transport and Main Roads	Transport	Stakeholder letter, Queensland Bus Industry Council - 26 January 2015; Stakeholder letter, Brisbane CBD Bicycle User Groups - 28 January 2015; Stakeholder letter, Bicycle Queensland Inc. - 29 January 2015	DOC/15/33743 DOC/15/33697; DOC/15/33696	Halt the divisive "compliance standing" approach to bus contracts and revert to a negotiated contract process with operators. Commence a review of the cycling industry to deliver demonstrated safety improvements and encourage more cycling, working with cyclists and representative groups. Continue to develop Cycle Network Plans for areas that have not yet been assessed. The projects identified by Bicycle Queensland (including the Gabba to Goodwill Cyclway, Expansion of Northern Freeway, River Crossing from Bulimba to Tenerife and the extension of the Brisbane Valley Rail Trail) will be considered as a matter of priority.	Re-negotiated contract process related to bus contracts and revert to a negotiated contract process with operators. Review completed		WOS	WOS	WOS	
461	Department of Transport and Main Roads	Transport	Stakeholder letter, Bicycle Queensland Inc. - 29 January 2015	DOC/15/33696	The safe passing distance trial should be allowed to continue and be thoroughly evaluated as the conclusion to determine whether it has been effective.	Existing resources		WOS	WOS	WOS	
472	Department of Transport and Main Roads	Transport	Stakeholder letter, Queensland Trudging Association Ltd - 29 January 2015	DOC/15/33759	Support the work being undertaken by the National Heavy Vehicle Regulator (NHVR) and the National Transport Commission (NTC) to develop a National Registration System for heavy vehicles and carefully consider any recommendations made by the NTC with respect to the above.	Existing resources		WOS	WOS	WOS	
473	Department of Transport and Main Roads	Transport	Stakeholder letter, Queensland Trudging Association Ltd - 29 January 2015	DOC/15/33758	Support the expansion and improvement of Heavy Vehicle Rest Areas and continuing enforcement and compliance activities to improve safety in the industry.	Existing resources		WOS	WOS	WOS	
474	Department of Transport and Main Roads	Transport	Stakeholder letter, Queensland Trudging Association Ltd - 29 January 2015	DOC/15/33758	Continue to support the work of the TU Connect Unit within the Department of Transport and Main Roads.	Unfunded		WOS	WOS	WOS	
475	Department of Transport and Main Roads	Transport	Stakeholder letter, RAIL Back on Track - 20 January 2015	DOC/15/33811	Undertake a high-level review of the Bulimba/Gilder Initiative and meet with RAIL Back on Track to discuss further.	Existing resources		WOS	Chatsworth, Bulimba	Chatsworth, Bulimba	Brisbane - South Brisbane Inner

Christine Tozer

From: Rachel Lunnon
Sent: Monday, 9 February 2015 9:44 AM
To: Nicholas Dowie
Cc: Kate Carlson
Subject: Taxi options paper
Attachments: Taxi regulation options paper.docx

Hi Nick,
Please find attached the latest version of the taxi options paper. Happy to discuss any changes you would like.
Thanks
Rachel

Rachel Lunnon | Economic Policy | Department of Premier and Cabinet | ☎ 07 3003 9323 | 📧
rachel.lunnon@premiers.qld.gov.au |

♻️ Please consider the environment before printing this email

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Options for taxi regulation in Queensland

What is the problem?

Uber launched in Queensland in April 2014. The company is currently operating outside of the existing public passenger regulatory framework and Uber drivers are failing to comply with the relevant *Transport Operations (Passenger Transport) Act 1994* (TOPTA) requirements.

Uber's launch and continued operations in Queensland have demonstrated the inability of the current regulatory framework to respond to new technologies and innovation in the public passenger market.

How has this problem emerged?

Uber is currently offering uberX services (a ridesharing service that connects passengers directly with drivers of private vehicles) in Brisbane and on the Gold Coast. Uber's operations are captured under the current definition of a taxi service and therefore the regulatory requirements for taxi operations should apply.

While the Department of Transport and Main Roads' (TMR) has continued to investigate Uber drivers and take compliance action against drivers that are not meeting regulatory requirements, this compliance action has not been effective in stopping Uber's operations.

Why are taxis regulated?

The Queensland industry is regulated under the *Transport Operations (Passenger Transport) Act 1994* (TOPTA) with the objective of ensuring a responsive and safe service that provides a reasonable level of community access and mobility. Key elements of the regulatory framework include: operator accreditation (OA) and driver authorisation (DA); market entry restrictions; taxi licences; taxi service contracts; and maximum fares.

Service contracts (held by booking companies) specify the standards and services that must be delivered for phone-booked taxi services and hold taxi booking companies accountable for their performance against those standards and services through key performance indicators. This ensures that minimum service levels are maintained in low demand areas and the availability of wheelchair accessible taxis (WAT).

What is the impact of Uber continuing to operate in Queensland?

Despite operating outside of the regulatory framework, Uber has increased competition in the Queensland taxi market, providing customers with the ability to choose an alternative to regular taxis. There is strong public support for Uber, with supporters claiming that Uber services are more efficient, cost effective and safer (due to availability of driver information and cashless payment) than regular taxi services.

Uber's launch has however created inequity in the passenger transport market with Uber drivers able to compete with regular taxis for business without meeting the regulatory requirements (and associated costs) that apply to the existing industry. For example, obtaining a taxi licence, meeting vehicle standards and providing service during non-peak times.

While passenger safety has been cited as a key reason for regulating ridesharing applications, the safety risks associated with using Uber are potentially minimal. Uber currently requires drivers to obtain a general DA (which includes a criminal background, driver history and medical check) and passengers are covered under

compulsory third party (CTP) insurance arrangements. Uber also claims that all trips are also covered by a US\$5M contingent liability insurance policy.

What is the state interest in resolving this issue?

CTPI - Deliberative Process



¹ Uber receives 20% of each fare. Drivers earning are estimated at an average of \$2000 in fares per week, with around 100 Uber drivers on the road.

Pages 436 through 440 redacted for the following reasons:

CTPI - Deliberative Process

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Christine Tozer

From: Christine Tozer
Sent: Thursday, 29 January 2015 7:57 AM
To: Kate Carlson; Rachel Lunnon; Christina McConville
Subject: Uber news - Canberra to review

<http://www.abc.net.au/news/2015-01-28/act-examines-taxi-industry-as-uber-looks-to-canberra/6052996>

Christine Tozer

Senior Policy Officer | Economic Policy | Department of the Premier and Cabinet
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Christine Tozer

From: John Gebbett <John.Gebbett@treasury.qld.gov.au>
Sent: Thursday, 15 January 2015 10:20 AM
To: Peter Johnson (Treasury); Patrick Wildie; Jozef Latten; Sean Moroney; Alex Griffin; Melanie Hall; Anton Lane; Wendy Freedman; Trevor Dann; Gerry Foley; Alistair Baird; Lynda Cooper; Helen James; j.lassen@synergies.com.au; m.clark@synergies.com.au; Rachel Lunnon; Kate Carlson; Gerald Schmidt; Christine Tozer; Christine Crain; Clarissa Lynch
Subject: FW: Uber is winning the fight

<http://iview.abc.net.au/programs/7-30/NC1481H018S00#playing>

(first few minutes only relates to Uber)

From: Alex Griffin
Sent: Thursday, 15 January 2015 8:48 AM
To: John Gebbett
Subject: Uber is winning the fight

<http://www.abc.net.au/news/2015-01-14/uberx-outsmarts-taxi-inspectors-by-blocking-mobile-phones/6016940>

Alex Griffin
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Christine Tozer

From: Kate Carlson
Sent: Thursday, 8 January 2015 9:44 AM
To: Christine Tozer; Christina McConville
Subject: FW: 2015 INCOMING GOVERNMENT BRIEFS - EPG.docx
Attachments: 2015 INCOMING GOVERNMENT BRIEFS - EPG.docx

Follow Up Flag: Follow up
Flag Status: Flagged

FYI

From: Nicholas Dowie
Sent: Thursday, 8 January 2015 9:36 AM
To: Chris McKenna
Cc: Bruce Stewart; Kate Jackson; Kate Carlson
Subject: 2015 INCOMING GOVERNMENT BRIEFS - EPG.docx

Dear Chris

Please find attached our input to the identification of top issues for the Incoming Government Brief.

Please let me know if you need any more information.

With Thanks

Nicholas Dowie
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PO Box 15185 | CITY EAST QLD 4002
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Pages 444 through 446 redacted for the following reasons:

Exempt Sch.3(4) Briefing for incoming Minister

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Christine Tozer

From: s.73 Personal Information
Sent: Monday, 22 December 2014 7:09 PM
To: Christine Tozer
Subject: Driverless public transport will change our approach to city planning – and living

http://theconversation.com/driverless-public-transport-will-change-our-approach-to-city-planning-and-living-35520?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+conversationedu+%28The+Conversation%29&utm_content=Netvibes

Driverless public transport will change our approach to city planning – and living



“You know, this retro-futurist styling is getting tiresome. Why can’t we look like the Jetsons?” [America's Power Companies/Plan59](#)

Just a couple of years ago, driverless cars were viewed as little more than a geekish techno-fantasy. But the entry of tech behemoth **Google** has produced an autonomous car that is now very close to entering the market.

Test-running on streets in the US has been underway for some time and they will be **street legal in the UK** from the start of 2015. To start this process rolling, a series of **small-scale UK city trials** has been recently announced.

Greenwich in London will have an autonomous tourist passenger shuttle, and autonomous valet parking for specially adapted cars. Milton Keynes and Coventry will host **the UK Autodrive programme**, and the **Venturer consortium** in Bristol will examine the effects of autonomous cars on congestion and road-traffic safety.

In Milton Keynes, small electric autonomous pods known as **LUTZ Pathfinder** will start running in the spring. Like an autonomous two-seater taxi, they will provide short-distance links between the station and destinations in the city centre running on cycleways and footpaths, mixing with pedestrians and cyclists. The project links to the wider Milton Keynes Future Cities Programme and Open University-led **MK:Smart** project.

MK:Smart, jointly funded between 12 partners and the **Higher Education Funding Council for England**, is exploring the use of big data systems to develop innovative ways of managing water, energy and transport. Part of MK:Smart is to adopt a strategic view on where data-driven innovations might be plugged into the local economy, helping people and the city's development as a whole.



Google's driverless car developments have driven forward the industry. Steve Jurvetson,
CC BY

Tearing up the transport map

Adopting autonomous vehicles could have a big impact on the way transport is designed and planned for in towns and cities. The project in Bristol is right to be examining how this will play out regarding safety and sustainability, but I would argue that the effects of driverless vehicles on transport planning will be fundamental.

If a city has system of autonomous vehicles booked using apps taking people door-to-door, 24-hours a day, where does that leave taxis and minicabs? With no driver the running costs would be low, pushing fares down towards those of a bus. If the mere use of the Uber app is **causing mass protests and legal challenges**, wait until a technology arrives that could out-compete taxis altogether!

Equally, where does this leave mass transit like buses, tram or metro? The system architecture of bus service: large vehicles, operating to a timetable on fixed-corridor

routes where passengers can board from specified stops – hasn't changed since the days when they were pulled by horses.

Autonomous cabs on the other hand have an entirely different system architecture. The vehicles are small, and the destination is set by the passenger, rather than tied to specific routes. It's a totally different sort of public-transport design. Battery-electric pods wait for customers at local ranks (recharging there) and when one pod is called to an address, another automatically replaces it to await the next customer.

Some small-scale tests are already underway – for example autonomous pods run on segregated tracks operate between **Heathrow Terminal 5 and its car park stations**. But because rapid progress in computer routines is allowing the vehicles to operate in ordinary traffic, there is potential for a more integrated approach and one that can provide a viable alternative to the private car in suburban areas. In terms of sustainability and cutting pollutants in cities, this system-level impact is possibly the most important aspect.

Transport designed for passengers

Transport policy has tended to view the present model of public transport as fixed for eternity and remains ingrained in the approach taken towards improving public transport for the future. This means requiring people to arrange their lives around the service design of a transport system, rather than designing the transport system to suit people's needs.

This difference in system design is the potentially transformative impact of autonomous public transport using small vehicles – passengers can travel directly, whenever they want, 24/7, to exactly where they want to be – including to many places and at times existing public transport services cannot provide.

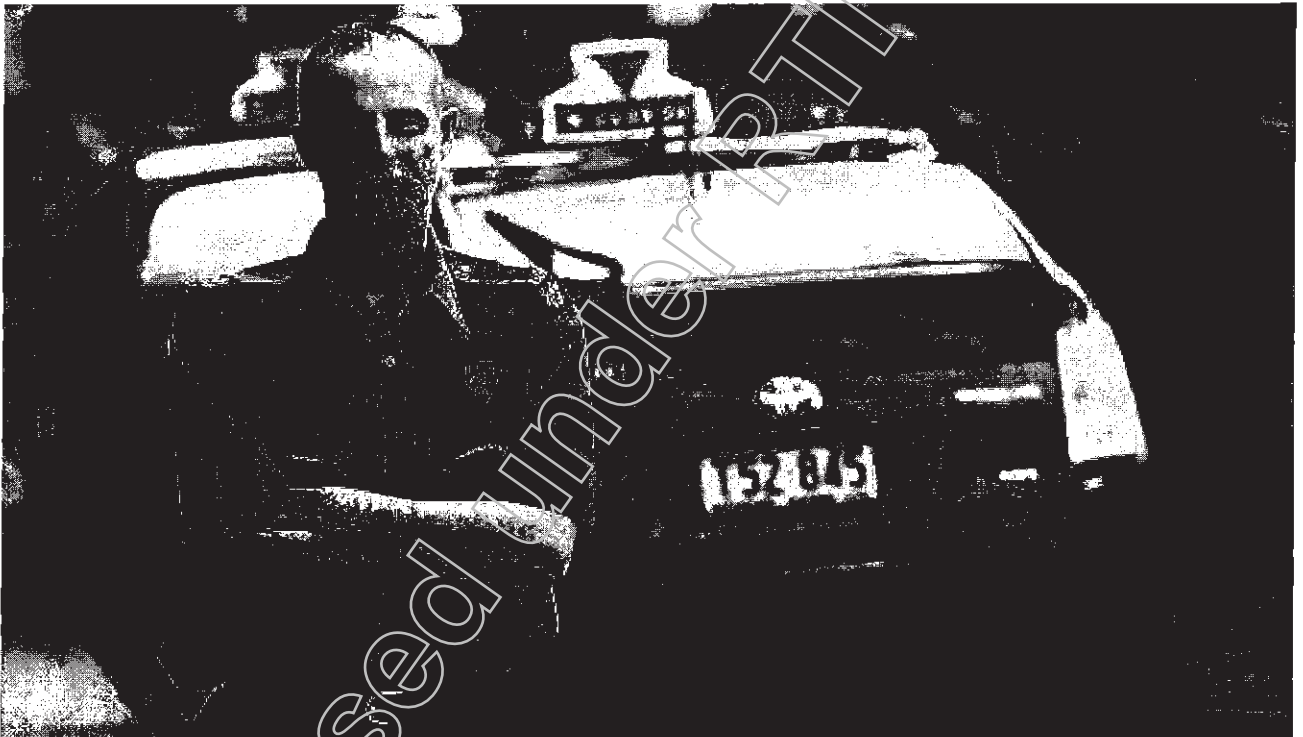
Realising the possibility of this fundamental change could turn transport and urban planning on its head. Autonomous vehicles are likely to be used very differently from the vehicles of today – replacing existing transport businesses and creating new ones. It is a design that could yield substantial environmental and social benefits. But the gritty details and inevitable politics have only just begun – and there is everything to play for in shaping our transport of the future.

Christine Tozer

From: s.73 Personal Information
Sent: Saturday, 6 December 2014 8:30 AM
To: Christine Tozer
Subject: Uber wars: Queensland taxi driver attempts citizen's arrest | The Courier-Mail

http://www.couriermail.com.au/news/queensland/cabbie-attempts-citizens-arrest-in-war-with-uber-drivers/story-fnn8dlfs-1227146566836?from=public_rss

Cabbie attempts citizen's arrest in war with Uber drivers



Taxi driver Damien Norberry says he tried to perform a citizen's arrest on an Uber driver.

A CABBIE has tried to make a dramatic citizen's arrest of an illegal Uber driver as a street war over passenger fares heats up.

The taxi industry says the attempted arrest is a sign of frustrations boiling over as Uber flouts a ban on operating in Queensland.

ROAD WAR: Governments urged to act

BANNED: Uber opens Gold Coast office

Uber drivers roam the streets in private cars, waiting for people to book them through a mobile phone app. They are increasingly popular because they undercut cabs on price – but the Government warns they are unauthorised and unsafe.

Tensions between cab and Uber drivers spilled over with the attempted citizen's arrest at a service station at Coorparoo earlier this week.

The incident was sparked when a passenger asked Yellow Cabs driver Damian Norberry (inset) for a quote on a fare – then said it was too expensive and booked an Uber car in front of him.

Amanda Bynes' Parents Tracking Her via GPS



Mr Norberry, 43, followed the car for an hour until it stopped at the service station.

“I said to him ‘you’re out here conducting an illegal activity as an Uber driver and I am arresting you and am going to call the police’,” Mr Norberry said.

But the Uber driver called police first, and phoned for backup from other drivers.

The police let the Uber drivers go but told Mr Norberry he could have been charged with deprivation of liberty and assault. It emerged that the Uber drivers were moonlighting cabbies.

Yellow Cabs general manager Bill Parker revealed police were called to a confrontation between drivers when a Uber car parked in a CBD taxi rank.

“Uber thinks they can act with impunity because the Government isn’t doing enough,” Mr Parker said.

The State Government sent Uber a cease and desist notice earlier this year and has issued more than \$200,000 in fines to 76 drivers for driving without an authorisation or providing a taxi service without a licence.

Transport Minister Scott Emerson said “passenger safety is always our first priority” and the Government would continue to crack down on Uber drivers breaking laws designed to protect safety.

But Taxi Council Queensland chief executive Benjamin Walsh said the Government needed to step up enforcement.

“While Taxi Council Queensland does not condone drivers taking the law into their own hands and would never encourage such action as ‘citizen’s arrests’, we understand the level of frustration they feel when they see illegal ride share services openly operating,” he said.

A Uber spokeswoman said taxi drivers were switching to the private car service because they made more money and worked fewer hours.

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