Queensland
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Future Licensing Review

Part 1 – Review Background

August 2024

Queensland Government

Purpose of the Future Licensing Review

To review the taxi licensing framework to ensure it is supporting the taxi industry's ability to compete effectively within the personalised transport industry.

To determine if improvements are needed to support contemporary market conditions and enable taxi services to meet customer needs into the future.

Problems to resolve

1. Taxi operators have no certainty about their future operating environment and new taxi licences have been not been issued since 2014. A position on if new taxi service licences are needed and how they will be issued will be determined.

2. The approach to authorising use of substitute taxis to be used during peak demand periods is temporary. A permanent policy position is required on how taxi demand can be managed flexibly.

3. Taxi access to the market continues to be restricted and government is required to balance supply and demand. Ensure licensing approach remains fit for purpose given the structural changes to the market and taxi utilisation.

Approaches to licence regulation

Pre-2016 regulation

- Limited competition
- Impose service obligations
- Regulation to balance supply and demand

Personalised transport reforms

- Increased competition for booked trips
- Ensure safety, equitable access, and accountability

Future approach

- Enabling services in a commercial market
- Flexibility to balance supply and demand
- Provision of wheelchair accessible services

Review scope

The Future Licensing Review has examined relevant regulations applicable to taxi services to determine the most suitable requirements into the future to achieve better customer outcomes.

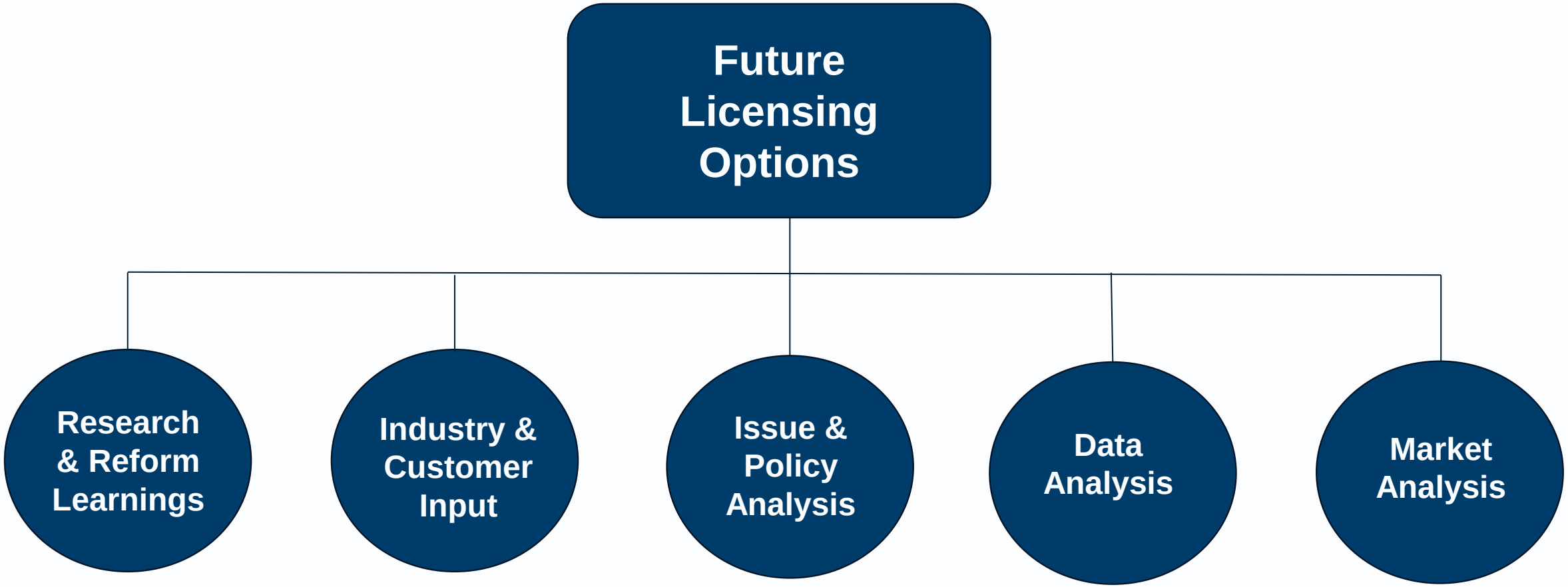
Future licensing options

No changes proposed

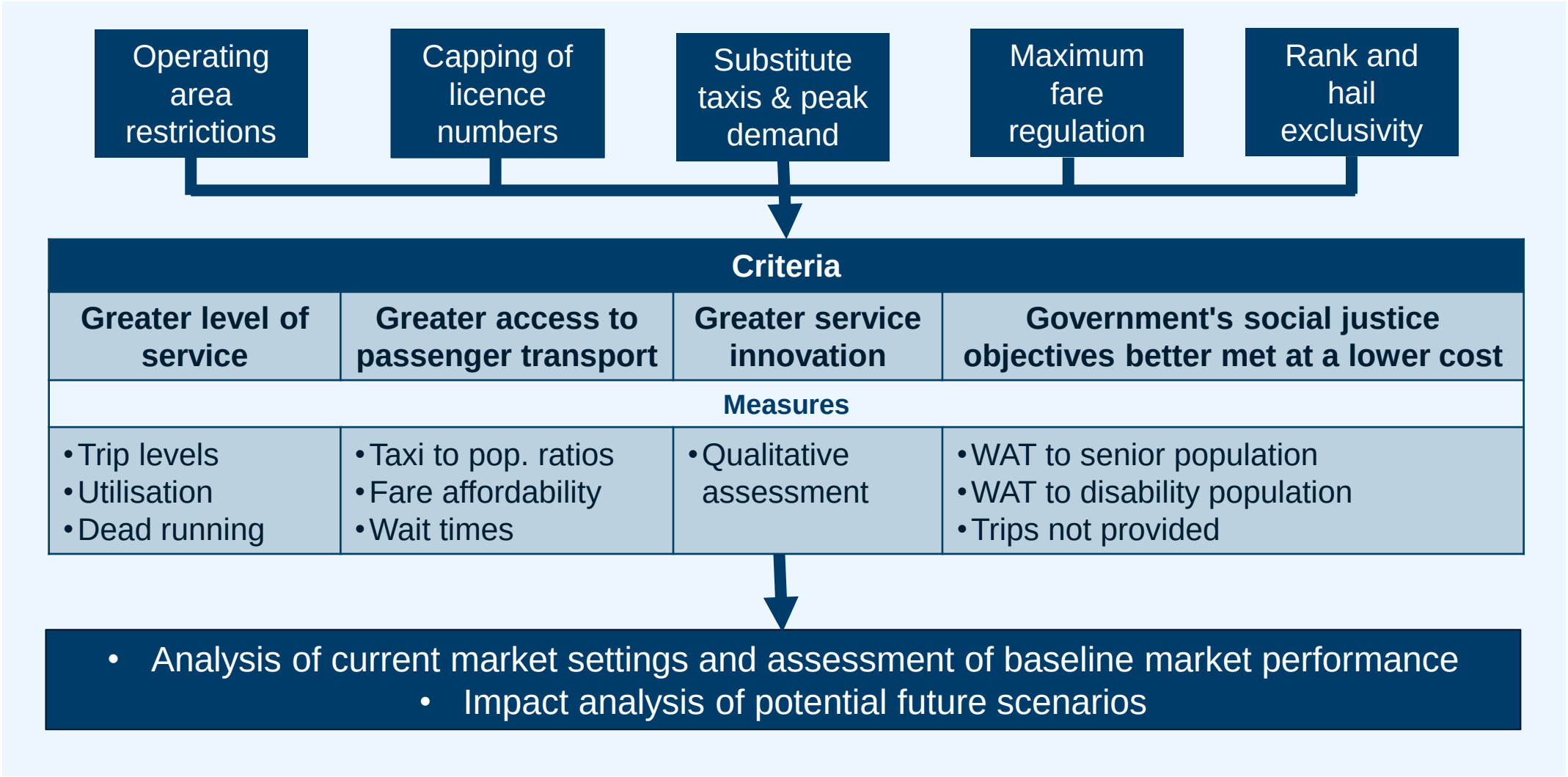
Considered as part of accessibility program

KEY RESTRICTIONS & PROTECTIONS	TAXI	RIDE-BOOKING	LIMOUSINE
Capping of licence numbers	✓	✗	✓
Operating area restrictions	✓	✗	✗
Substitute taxis and peak demand arrangements	✓	✗	✗
Booked hire trips	✓	✓	✓
Rank and hail trips	✓	✗	✗
Maximum regulated fares	✓	✗	✗
Access to TSS subsidy/lift fee	✓	✗	✗
Grants for accessible vehicle	✓	✗	✗

Review analysis



Market Analysis



Key issues

Passenger demand	• Current vehicle utilisation, customer wait times, trips not provided, and population forecasts indicate that:
	  ○ regional centres likely have an undersupply of taxi licences and there is likely to be some ‘unmet’ demand in the short to medium term, and
	  ○ in SEQ, there may be specific times when vehicle utilisation and customer wait times could be improved.

Structure and pricing	• The high capital costs of taxi licences and a reliance on leasing and subleasing translates to higher business costs and a lack of flexibility for taxi market participants, and higher fares for passengers.
Innovation	• Few triggers for innovation with few new entrants to the taxi market and little diversification in service types, fleets or prices that can be attributed to the entry restrictions.
Key accessible services	• Population ratios, wait times, trips not provided, and passenger complaints indicate that there is insufficient provision of services for WAT and TSS passengers.

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