



10 April 2017

**Transport and Other Legislation  
(Personalised Transport Reform)  
Amendment Bill 2017**

**Submission: Limousine Action Group (Queensland) Inc.**

The Limousine Action Group (Queensland) Inc. (LAGQ) is grateful for the opportunity to make the following submission for consideration of the Public Works & Utilities Committee.

**Who We Are**

We are a large group of QLD Limousine Service Licence Owners. We are both investors and owner operators. Many in our group are self-funded retirees.

**Executive Summary**

Prior to April 2014, a Limousine Licence Lease was \$6000 + GST per annum.

The average sale price of a Limousine Service Licence in the three years prior to April 2014 was approximately \$70 000.<sup>1</sup>

Recommendation 1 – Increase the ride booking annual fee.

Recommendation 2 - Only L Plate vehicles can act and look like a Limousine.

Recommendation 3 – No requirement for cameras in Limousines.

Recommendation 4 – Licence to advertised for lease or sale, or surrendered.

Recommendation 5 - Limousines to remain in CTP class 4 and ride booking to have their own class of CTP.

Recommendation 6 - Establish a management plan for drivers operating for multiple booking entities and across service platforms.

<sup>1</sup> see attachment A

## History & Current Situation

Private Vehicle Hire Licences, now called Limousine Service Licences were introduced by the government in the 1980's. The government has issued these as perpetual licences since then. They are transferable, and in the last three years prior to April 2014 their average purchase price was \$70 047.00<sup>1</sup>

Prior to the current government allowing ride booking to operate illegally in the market, the average annual lease for a Limousine Service Licence was \$500 + GST per month/\$6000 +GST per annum.

Since the legalisation of ride booking, with no supporting regulation, Limousine Licences have lost their value. Licence Owners have licences that are not being leased. Those licences that are being leased are receiving on average \$200 per month.

## Concerns

The government has proposed to retain Limousine Licences, and the LAGQ strongly suggests that the proposed legislation be amended to allow the reparation of Limousine Licence values. **The LAGQ holds concerns with retaining Limousine Licences, as they hold no value. Our members are hopeful that this is not a deceptive political stunt.**

We have serious concerns for passenger safety and suggest amendments to improve this.

We have concerns for the Limousine Industry, and believe amendments to this Bill are required in order to maintain and protect the prestigious nature of the Industry.

<sup>1</sup> see attachment A

**Recommendation 1 – Increase the ride booking annual fee.**

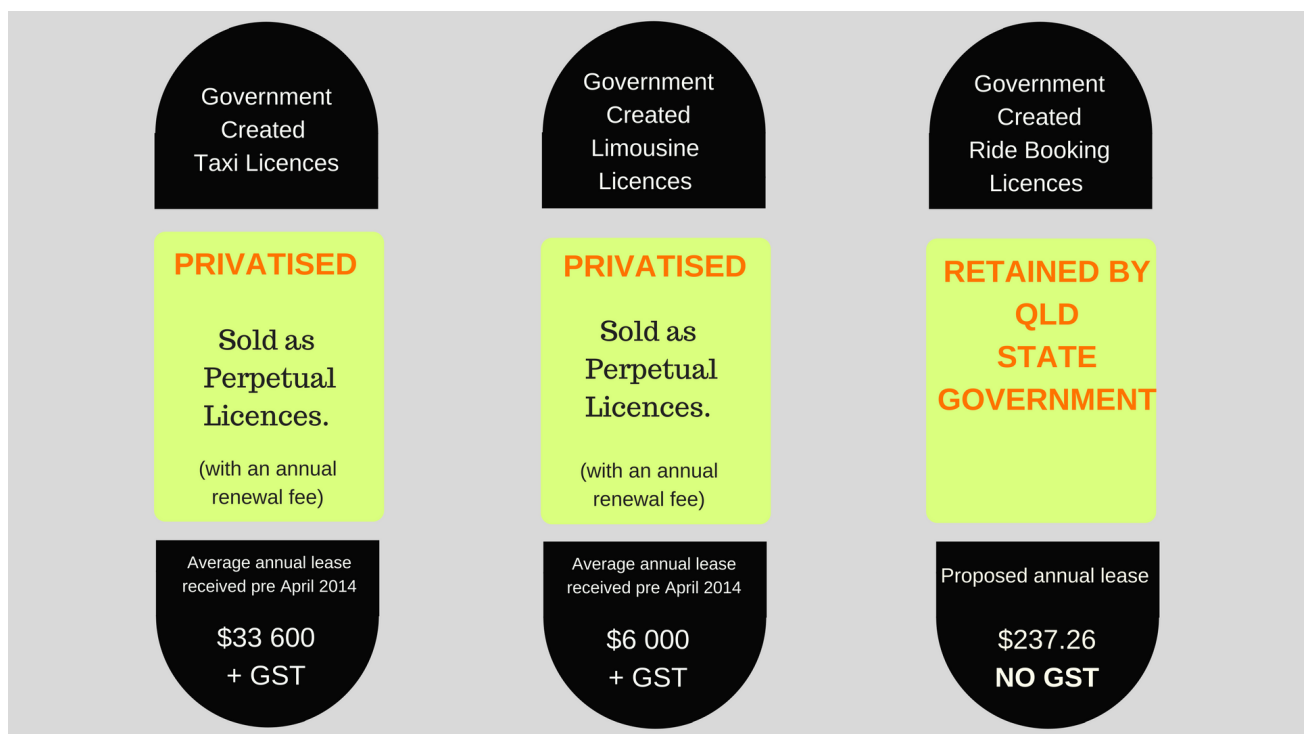
Draft Regulation - Amendment of sch 9, (Fees and levy), 4A – page 32

The proposed annual ride booking licence fee is \$237.26 (\$4.56 per week).

**1.1 Is the low proposed annual fee Anti-Competitive Behaviour?**

Limousine Licences were created by the government and sold to the private market. With regard to taxi licences, the government created them, put them to tender, and then sold them to the private market. Both of these Licences are transferable, subject to capital gains tax and stamp duty. Taxi and Limousine Licence owners lease their licences to operators, or operate the licence themselves.

Ride booking licences are being retained by the government and leased to ride booking operators.



In essence, the Department of Transport and Main Roads (DTMR), are ride booking licence owners, and are now in direct competition with Taxi and Limousine Licence owners.

The offering of a below cost ride booking licence raises questions:

- Is this fair to the existing players in the market?
- Is this **anti-competitive behaviour** and does it constitute **misuse of market power**?

Related links:

**Misuse of Market Power:** <https://www.accc.gov.au/business/anti-competitive-behaviour/misuse-of-market-power#misuse-of-market-power-test>

**Competition and Consumer Act 2010 – Sect 46.** :[http://www.austlii.edu.au/au/legis/cth/consol\\_act/caca2010265/s46.html](http://www.austlii.edu.au/au/legis/cth/consol_act/caca2010265/s46.html)

## **1.2 Increased compliance and administrative costs.**

The government have a responsibility to the people of Queensland to raise taxes and levies in line with the needs and requirements of the relevant department.

The Queensland personalised transport fleet is now at least double the size that it was prior to August 11<sup>th</sup> 2016.<sup>2</sup> With increased expenditure of compliance officers and further regulatory requirements, the annual licence fee for ride booking vehicles needs to be adequate to cover administration costs and also compliance enforcement.

## **1.3 Precedence Exists**

### **An annual booked hire fee already exists.**

There is precedent that is being ignored. A Special Purpose Limousine Licence is currently an annual booked hire licence. It has been in place since 2007 and the current annual fee is \$2480.80.

The Special Purpose Limousine Licence is being phased out in these reforms. Minister Bailey stated in his speech introducing this Bill, *“Special-purpose limousines, which are annual licences, will be phased out over the next three years given that the new booked hire service licence will effectively take their place.”*

Page 19 of the Explanatory notes states, *“This section preserves the current term and renewal provisions in TOPTA for limousine service licences but also provides for special purpose limousine licences to be phased out in the future given they are an annual licence that is substantially similar to the new booked hire service licence.”*

Page 5 of the Explanatory notes states, *“However, these are annual licences similar to the new booked hire service licences, which effectively permit the holder to provide the same services for the same term as the holder of a new booked hire service licence.”* and *“The ability of holders of these licences to provide booked hire services will not be materially impacted as they will continue to be able to do so under a booked hire service licence.”*

The proposed booked hire annual fee is less than 10% of the current annual booked hire service. The Special Purpose Limousine Licence is a highly restricted licence and given that the new booked hire annual licence is more flexible, it would make sense for the new annual fee to be equal to or higher than the existing one.

Limousine Licence Owners paid up to \$150 000 for their licence. Taxi Licence Owners have paid in excess of \$500 000. Both Taxi and Limousines are required to pay an annual renewal fee of \$171.40 per licence. The proposed booked hire annual licence fee is only \$65.86 more than a renewal fee. Minister Bailey stated, *“the overarching objective of these reforms is to provide a fairer playing field across the whole personalised transport industry.”*<sup>3</sup>

To achieve Minister Bailey’s objective, we recommend a fully independent review of the pricing structure and ask the committee to question if the ACCC should be involved in the process.

<sup>2</sup> Then Minister Hinchliffe’s speech FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT Thursday, 1 December 2016 Handsard page 4853

<sup>3</sup> Minister Bailey’s speech introducing the Bill to Parliament 21<sup>st</sup> March 2017

## Recommendation 2 – Only L Plate vehicles can act and look like a Limousine

Regulations not yet published.

Amendment to the Act required. Only a vehicle with a Limousine Licence may act and look like a Limousine

As stated in the DTMR document and on their website,

“Privileges that will be retained for limousines include:”

- Point three: “the right to advertise themselves as a limousine.”<sup>4</sup>

As yet, there is no supporting Legislation or Regulation for this. There are no details on consequences for ride booking vehicles that advertise as a Limousine Business.

To the contrary, the Horizons Document the Explanatory Notes state, *“The concept of a limousine service as a distinct class of public passenger service will not be retained as booked services in luxury motor vehicles will also be able to be provided using a booked hire vehicle.”*<sup>5</sup>

The value of Limousine Licences has been decimated. In order to repair their value we require an amendment to the Act to state that only a vehicle with a Limousine Licence can act and look like a limousine.

If a ride-booking vehicle can look and act like a Limousine then what is the point of retaining a Limousine Licence?

This picture of a ride-booking vehicle was taken outside the Meriton Hotel, Broadbeach on March 23<sup>rd</sup> 2017.

Note:

- Uber symbol on the rear window
- Personalised LIM017 number plate.



Image 1

There are a number of vehicles like this on the road. They are operating as ride-booking vehicles and posing as Limousines. Even to the extent of entering Limousine designated areas at airports and other venues.

We ask the committee to recommend amendments to help restore value to Limousine Licences. If these amendments are not made, Limousine Licences are in essence obsolete and Limousine Licences Owners require immediate compensation for their Licences. Compensation requirements are attached. See attachment B.

<sup>4</sup> Queensland's Personalised Transport Horizon – stage Two Implementation page 3

<sup>5</sup> Explanatory notes Transport and Other Legislation (Personalised Transport Reform) Amendment Bill 2017 – Division 2 - page 19

Image 1 – taken by Adrian Bonono 23<sup>rd</sup> March 2017, Gold Coast.

**Recommendation 3 – No requirement for cameras in Limousines**

The Limousine Industry is a well-established industry where the existing risk profile is very low to negligible. As the Limousine Industry provides a prestigious service, usually to high-end and corporate clients, having cameras and GPS tracking can deter business. Many clients request Limousines with no cameras and no tracking. It must be considered that Limousines are used to transport visiting dignitaries, high profile people, and celebrities - their personal security and privacy is of paramount concern.

The proposed requirement for a camera is inflexible for a Limousine business where service is primarily prepaid or invoiced, and on rare occasions have clients who only wish to pay in cash.

**Recommendation 4 –Licence to be advertised for lease or sale, or surrendered.**

Amendment 91S Transfer, Lease or surrender of licence.

(b) a licence to be leased or surrendered.<sup>6</sup>

Change to -

(b) a licence to be advertised for lease or sale, or surrendered

Considering the uncertainty in the industry due to the introduction of ride booking and the government originally stating that Limousine Service Licences were to be cancelled, a high number of Limousine Licences are not leased.

With the proposed legislation allowing for regulation to offer a parallel licence at an incredibly low cost, there will be Limousine Licences that are unattached to vehicles. If an owner of a Qld Limousine Licence is actively trying to lease, sell or operate the Limousine Licence and is able to provide evidence of this to the department, then the licence owner will retain the licences.

Please allow us the time and space to attempt to repair the value of these licences.

**Recommendation 5 – Limousines to remain in CTP class 4 and ride booking to have their own class of CTP**

While there may be a short-term reduction in CTP premiums, it is the view of the LAGQ that long term implications of ride booking claims will increase the premiums of the CTP class 26.

Limousine drivers are primarily professional full-time drivers. They should not be in the same category as inexperienced, part time and short-term hobby drivers.

If the CTP class combines both Limousines and ride booking, there needs to be a review in 12 months to see where claims are being made and an option offered for Limousines to be in a separate CTP class.

<sup>6</sup> Transport and Other Legislation ( Personalised transport reform) Amendment Bill 2017 Division 4, 91S (b)

**Recommendation 6: Establish a management plan for drivers operating for multiple booking entities and across service platforms.**

The proposed Bill makes no consideration for Limousine Drivers who drive for multiple booking entities or across service platforms.

Currently some Limousine Operators also take over flow work from other operators. Under the new Legislation these would be separate booking entities with obligations under the new chain of responsibility. A clear outline is required of how the chain of responsibility is managed, especially who is responsible for fatigue management.

We question how the regulation works when a Limousine Driver is also taking bookings through a ride booking app. It would not be suitable for a prestigious Limousine to have stickers of each booking entity on their window.

## Other Notes

Our members have been advised that the Transitional Assistance Payment is not considered income for Centrelink purposes. We are still waiting on a decision as to the asset value of a Limousine Licence for Centrelink assessments as recommended by this very Committee in the last hearing into passenger transport legislation.<sup>7</sup>

We still request that the Minister applies for a ruling from ATO for the Transitional Assistance Payment.

## Final Word

While it would seem that Limousine Licence Owners should be celebrating that their licences are being retained, we are not. The licences were ours in the first place and to even consider stealing our property rights was unfathomable.

We now have licences that are next to worthless and we require the government to make the above-mentioned amendments to help us repair the value of our licences and move forward in this new environment.

We welcome industry innovation and expect changes that provide us with the opportunity of a fair and level playing field to further our small businesses.

We thank the Committee for considering our recommendations and for the time and attention you have given to understanding the intricacies of the Limousine Industry.

Yours sincerely,



Jacqui Fiebig  
Chairperson  
Limo Action Group (QLD)



Michelle Andrews  
Secretary  
Limo Action Group (QLD)

<sup>7</sup> Recommendation 18 - Report No. 27, 55Parliament Transportation and Utilities Committee November 2016 page 58

ATTACHMENT A

DATE OF ISSUE	TRANSFEROR	LICENCE TYPE	VALUE
27/03/2009	NEW ISSUE	REST OF QUEENSLAND	\$9,000.00
27/03/2009	NEW ISSUE	REST OF QUEENSLAND	\$9,000.00
2/07/2009	NEW ISSUE	NORTH QUEENSLAND	\$35,000.00
4/08/2011	NEW ISSUE	WHOLE OF QUEENSLAND	\$71,250.00
26/09/2011	NEW ISSUE	REST OF QUEENSLAND	\$9,000.00
4/07/2012	NEW ISSUE	REST OF QUEENSLAND	\$9,000.00
12/12/2012	NEW ISSUE	WHOLE OF QUEENSLAND	\$73,313.00
21/01/2013	NEW ISSUE	WHOLE OF QUEENSLAND	NIL (reinstatement of temporarily surrendered limousine)
31/01/2013	NEW ISSUE	WHOLE OF QUEENSLAND	\$70,035.00
14/02/2013	NEW ISSUE	WHOLE OF QUEENSLAND	\$69,213.00
12/06/2013	NEW ISSUE	REST OF QUEENSLAND	NIL (reinstatement of temporarily surrendered limousine)
21/11/2013	NEW ISSUE	FAR NORTH QLD	NIL (reinstatement of temporarily surrendered limousine)
22/11/2013	NEW ISSUE	NORTH QUEENSLAND	\$35,000.00
17/12/2013	NEW ISSUE	WHOLE OF QUEENSLAND	NIL (reinstatement of temporarily surrendered limousine)
16/06/2014	NEW ISSUE	NORTH QUEENSLAND	\$35,000.00
22/01/2015	NEW ISSUE	REST OF QUEENSLAND	\$9,000.00



WHOLE OF QUEENSLAND	
Date	Value
08-Apr-13	\$90,000
15-May-13	\$57,500
27-May-13	\$70,000
03-Jun-13	\$75,000
03-Jul-13	\$60,000
11-Sep-13	\$60,000
03-Oct-13	\$70,000
28-Oct-13	\$58,000
17-Dec-13	\$66,000
15-Jan-14	\$100,000
23-Jan-14	\$56,000
17-Feb-14	\$72,500
21-Mar-14	\$72,000
27-May-14	\$75,000
02-Jun-14	\$62,000
11-Sep-14	\$55,000
02-Oct-14	\$60,000
05-Nov-14	\$55,000
07-Nov-14	\$75,000
01-Dec-14	\$70,000
27-Mar-15	\$70,000
28-Apr-15	\$55,000
15-May-15	\$65,000
16-May-15	\$58,000

ATTACHMENT B

**Fair Value Compensation**

Our members believe that if sufficient amendments are not made to repair then maintain the value of Limousine Licences, then the QLD government is responsible for buying back the Limousine Service Licences that they created, issued and sold.

A Fair Method of calculating compensation is being used by the NSW government. It is simply the last purchase price of the individual Limousine Licence plus CPI for each subsequent year of ownership. Our group consider this to be fair compensation and request compensation calculated in the same way, for our licences.