

# **Rural and Regional Adjustment (COVID-19 Taxi and Limousine Industry Assistance Scheme) Amendment Regulation 2020**

Explanatory Notes for SL 2020 No. 149

made under the

*Rural and Regional Adjustment Act 1994*

## **General Outline**

### **Short title**

*Rural and Regional Adjustment (COVID-19 Taxi and Limousine Industry Assistance Scheme) Amendment Regulation 2020*

### **Authorising law**

Sections 3, 10, 11 and 44 of the *Rural and Regional Adjustment Act 1994* (the Act).

### **Policy objectives and the reasons for them**

Reductions in the movement of people in the community due to the COVID-19 pandemic, have seen a significant decrease in patronage and revenue for the personalised transport industry. Some parts of the industry have reported the loss of over 90 per cent of patronage, based on the same rates as last year. The resulting hardship means that many operators have de-registered their vehicles.

There is significant risk that parts of the taxi and limousine industry may not return to service when the economy improves, so providing some financial relief will assist in the short term. The failure of taxi and limousine operators or drivers to continue to provide services would lead to reduced transport choice for the public, with particularly adverse outcomes for people with a disability who are reliant on the taxi industry for accessible and subsidised travel.

The severity of the impacts on personalised transport operators is becoming increasingly evident. Parts of the taxi and limousine industry have raised concerns that, despite the fee relief provided, it is unlikely that they will be able to resume operations following the lifting of the public health emergency without further support as a result of the significant falls in revenue and patronage.

In response to ongoing impacts to the taxi and limousine industry, on 16 June 2020, the Queensland Government, announced an additional \$23.16 million to support the state's taxi and limousine operators.

## **Achievement of policy objectives**

The objectives will be achieved by the subordinate legislation's establishing a scheme of financial assistance for taxi and limousine operators and licence holders and authorised booking entities in the *Rural and Regional Adjustment Regulation 2011* as an approved assistance scheme. This will enable the Queensland Rural and Industry Development Authority (QRIDA) to provide grants to eligible taxi and limousine operators and licence holders and authorised booking entities. Under the Act, QRIDA can only provide financial assistance under an approved assistance scheme prescribed by regulation.

Specifically, assistance for eligible taxi and limousine operators will be in the form of one-off payments of \$3,500 per vehicle and a \$1,000 incentive payment per vehicle for eligible wheelchair accessible taxi operators (WATs). Eligible taxi and limousine licence holders will be provided a one-off payment of \$1,000 per taxi service licence or limousine licence, while eligible authorised booking entities will be provided a one-off payment of \$1,500 per licensed taxi and/or limousine on the books for the booking entity, capped at 1,000 vehicles per booking entity.

## **Consistency with policy objectives of authorising law**

The subordinate legislation is consistent with the policy objectives of the Act. The Act establishes QRIDA primarily to administer assistance schemes which foster the development of a more productive and sustainable rural and regional sector in Queensland. QRIDA may also support the State's economy by administering approved assistance schemes to assist primary producers, small business and other sectors during periods of temporary difficulty, or to otherwise benefit the Queensland economy.

## **Inconsistency with policy objectives of other legislation**

This subordinate legislation is not inconsistent with the policy objectives of any other legislation.

## **Alternative ways of achieving policy objectives**

The Queensland Government has provided fee relief to industry in relation to the parts of the personalised transport industry that are directly regulated by the Queensland Government. The impacts of COVID-19 on patronage and revenue in the industry mean that further financial assistance to assist the recovery for the taxi and limousine industry has been requested by industry stakeholders, including the Taxi Council of Queensland.

The taxi industry plays an important role in the carriage of vulnerable Queenslanders who may have no alternative transport options and it is important that it is able to recover from the impacts of COVID-19.

The limousine industry plays a different role in the passenger transport context, yet limousine licence holders also have significant sunk costs in the industry which cannot be readily recovered or re-invested when the emergency passes. In addition, the industry is particularly strongly focused on airport arrivals and special events and so has been most heavily affected by the restrictions.

In considering options, the Department of Transport and Main Roads (TMR) took into account the operational costs associated with the taxi and limousine industry. TMR considered varying the level of payment, however, based on the current fixed and ongoing variable costs, the levels of assistance to be provided under the scheme were considered reasonable based on industry identified costs to operate and to provide booking services for taxis and limousines, and are appropriate to meet approximately two months' worth of these costs.

The option of providing additional support in the form of an up-front lump sum payment, was chosen because it was considered to provide the most benefit to industry whilst being the least administratively burdensome to implement.

## **Benefits and costs of implementation**

The Queensland Government will incur a cost of \$23.16 million, which represents the total amount of funding under the scheme announced on 16 June 2020, to support the State's taxi and limousine industry as a result of the impacts of the COVID-19 pandemic.

In particular, the subordinate legislation will assist the operators of WATs to remain in the industry as they play a particularly important role in connecting vulnerable people to essential services, such as medical and health services.

## **Consistency with fundamental legislative principles**

The subordinate legislation has been drafted with regard to, and is consistent with, the fundamental legislative principles as defined in section 4 of the *Legislative Standards Act 1992*.

## **Consultation**

The Department of Transport and Main Roads (TMR) received requests for additional support for the taxi industry from the Taxi Council of Queensland (TCQ), Black and White Cabs and a range of limousine operators.

TMR consulted with representatives from the TCQ following the announcement of the package and in developing details relating to the scheme. TCQ supports the financial assistance scheme and the approach taken in the subordinate legislation. TMR will continue to work with peak body groups and individual industry participants on the implementation of the additional financial assistance package.

The Department of Agriculture and Fisheries consulted the Office of Best Practice Regulation (OBPR), within the Queensland Productivity Commission, on whether the amendment is excluded from further analysis under the *Queensland Government Guide to Better Regulation*. The OBPR assessed that the amendment is excluded from further analysis on the basis that the legislation is unlikely to result in significant adverse impacts.