



15 March 2002

Mr Jason Forest
The Independent Competition and Regulatory Commission
PO Box 975
Civic Square
Canberra ACT 2608

To Mr Forest

The Tourism Industry Council, ACT & region (Ltd) is pleased to provide a submission to the ICRC 'Review of the future Direction of the ACT taxi and hire car industry'. The Council is particularly concerned about the implications of the Road Transport (Public Passenger Services) Act 2001 on the delivery of tourism services in 6-9 seat vehicles.

A submission outlining these concerns is accompanying.

The Tourism Industry Council, ACT & Region (Ltd) would also welcome the opportunity to address the Commission regarding these issues.

If you have any questions regarding details contained in the attached submission, or would like to arrange a time for the Council to address the Commission, please contact me on 02 6283 5224.

Kind regards

A handwritten signature in black ink that reads 'Michelle Slater'.

Michelle Slater
Executive Director



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The Tourism Industry Council ACT & Region (Ltd) is the ACT's peak representative tourism industry body, with membership comprising:

- tourist attractions;
- accommodation operators;
- wineries;
- tour and transport operators;
- marketing organisations;
- research organisations;
- restaurants and catering operations;
- educational institutions;
- airlines
- festivals and events
- clubs
- tourism associations

With individual and association memberships the Tourism Industry Council, ACT & Region represents the interests of approximately 350 tourism and tourism related businesses in the ACT and region.

Implications of the Road Transport (Public Passenger Services) Act 2001 on the delivery of tourism services in 6-9 seat vehicles

The licensing and regulatory issues arising from the Road Transport (Public Passenger Services) Act 2001 regarding 6 to 9 seat public vehicles (addressed in section 2.2.6 of the issues paper) has the potential to threaten the very existence of the tour operators sector in the ACT

Previously, vehicles comprising 6 to 9 seats could be classified as buses and obtain a motor-omnibus (MO) license. Operators using this class of vehicle often utilised 8-seater vehicles such as Toyota Toragos and provided a range of distinct services such as:

- winery tours;
- city sights tours; and
- bush and eco-tours (just to list a few).

There are also a number of specialised bush/eco-tour operators who utilise 4WD vehicles that comprise less than 9 seats (although it is the Tourism Industry Council's belief that such vehicles were not classified as buses).

The reclassification of such vehicles under the new Road Transport (Public Passenger Services) Act 2001 will effectively disenfranchise existing operators. It is feared that in some cases it will force them out of business due to both increased licensing costs and/or the capital investment required to upgrade vehicles to a capacity of more than 9 seats.



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These increased compliance costs take on particular significance when one considers that the viability of small operators is concurrently being threatened by significantly increased insurance costs. Members of CRTOA have reported increases of 500%. The Victorian Tourism Operators Association reports that almost 50 small tourism operations have closed in Victoria in the last 12 months due to the insurance crisis. It is also important to acknowledge that the growth, vitality and vibrancy of the ACT's tourism product will be adversely affected by these licensing changes in creating a regulatory regime that:

- facilitates the loss (closure) of specialised tourism operations; AND
- impedes the entry of new operations and products into the market place.

It is a well recognised fact around the world that the tourism market is becoming more demanding and sophisticated and is seeking personalised and specialised interpretive services, such as those offered by specialised tourism and transport operators (such as bush/eco-tour operators, specialised shopping tours, city tours and wine tours). These markets cannot be serviced purely by mass transport providers (ie vehicles/buses with more than 9 seats) or by primary transport providers (such as taxis and hire cars).

The ACT's image and ability to provide tourism services to this market, and therefore our appeal as a destination will be severely and adversely affected by a regulatory regime that does not facilitate the existence of specialised tourism and interpretive services. Canberra's future opportunities as a tourism destination will be significantly impacted upon if visitors to the ACT have as their only options for visiting Tidbinbilla Nature Reserve, Namadgi National Park, Canberra District Wineries or the national institutions hire cars, taxis or public buses.

A possible solution

In other States, specialised tour services are legally permitted to utilise high quality sedans for the conduct of their business. In such instances (and in the ACT) there is a demand for such services above and beyond the provision of transport. It would seem that in the ACT such considerations are given little attention due to the influence in particular of the hire car industry, in that specialised tourism operators are [(falsely) viewed as competing with the hire car and taxi industries.

Tour operators and service providers are in fact offering an experience that is completely different to the services provided by the hire car and taxi industries. They offer a unique and personal experience to visitors to the ACT, providing clients with an insight into many aspects of Canberra that are not available to the general public. They are not in direct competition with the hire car or taxi industry, and do not tout for business at taxi ranks or the airport etc.

Recognising these issues in Victoria, the Victorian Taxi Directorate developed a 'Special Purpose Vehicle' (SPV) license, where operators such specialised tourism operators can apply for a special class of tour service license (which allows them to operate 5 to 8 seater vehicles). This license explicitly recognises the distinction between tour operators and the hire car and taxi industry and as such removes any perception of direct competition.

The concept of creating such a license category, that clearly distinguishes the activity of specialised tourism services from the activities of the taxi and hire car industries has



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been given conditional approval by Canberra Cabs in discussions with the Tourism Industry Council. Such conditions include:

- ensuring that SPV operators are clearly distinguished from taxi operations via for example distinct plates and/or registration stickers;
- ensuring that SPV operators cannot and do not tout for business at airports, taxi ranks, bus terminals etc; and
- that appropriate policing mechanisms are incorporated in any such SPV license.

These issues are dealt with in Victoria by for instance:

- distinct plating and registration (as noted above);
- provision of evidence that specialised tourism services are marketed as such; and
- provision of evidence that such as brochures, tour schedules etc that demonstrate that services are pre-booked.

The specialised tour services sector represents an important and vital component of the tourism industry, and is mainly comprised of small tourism operators who provide a variety of services adding depth to the experiences on offer to visitors to the ACT and region.

Such operators in the ACT have already demonstrated a long-term commitment to the provision of high quality tourist services in the ACT and Region, and have lead the way in the development of industry standards. This has included the development of their own code of ethics several years ago by the Canberra Region Tourism Operators Association. This Code of Ethics requires all members to have the appropriate insurances and licenses as set by CTROA. The commitment of this sector to the provision of high quality, value-added tourism (vs transport) services can also be demonstrated by that fact that individually and as an association, CRTOA have also embraced the concept of Tourism Accreditation, which is currently being introduced in the ACT and Region.

Resolution of these licensing issues is extremely urgent, otherwise we will see the disappearance of operators such as specialised tourism services from our tourism landscape, severely damaging the ACT's image and prospects as a tourism destination.

In the current tourism climate, it is imperative that the ICRC inquiry and the ACT Government finds a resolution to this issue as soon as possible. The Tourism Industry Council would like to offer our help in finding a solution that resolves this issue for our members.



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