



On-demand Transport Reform Fact Sheet

Changes for tour and charter operators

The *Transport (Road Passenger Services) Act 2018* (the Act) defines three types of passenger transport: on-demand, tourism and regular.

Tourism passenger transport is the transport of tourists for hire and reward to destinations listed on a publicly available tour itinerary.

On-demand transport is the transport of passengers for hire and reward where the passenger or hirer determines the locations for the beginning and end of the journey, as well as the time of travel.

Regular passenger transport is the transport of passengers on a predefined and set route, with a publicly available timetable approved by the Department of Transport.

All tour and charter vehicles used for tourism passenger transport are currently licensed under the *Transport Coordination Act 1966* as tour and charter omnibuses.

As of July 2016, tour and charter omnibus licences were converted to charter vehicle licences - the requirement for licence holders to abide by their set conditions did not change.

These conditions detailed how they should set fares, manage complaints and manage the risks associated with fatigue and vehicle maintenance.

The new legislation now separates tour services from charter services. Charter services are now classified as on-demand passenger transport services, and tour services are now classified as tourism passenger transport services.

Why are charter services considered on-demand passenger transport?

On-demand bookings can be made far in advance for trips to be taken later – the term ‘on-demand’ does not relate to when the booking is made or how quickly it is completed.

The defining feature between on-demand and tourism passenger transport services is the level of control the hirer has over the start and finish times, and locations of where the service goes.

For example, a provider may offer airport transfers (where the times and locations are determined by the hirer), in addition to publicly advertised tour services, as part of their business. The airport transfer service is an on-demand passenger transport service as the times and locations are determined by the hirer. In this case, the provider’s business is a combination of both on-demand passenger transport and tourism passenger transport. The provider would need an on-demand booking service authorisation or an association arrangement with an authorised on-demand booking service to comply with the Act.

Why are tour services considered tourism passenger transport?

A tourism passenger transport service must publicly advertise a tour itinerary – this means that the locations and the time of the service is not determined by the hirer.

For example, a passenger books a publicly advertised tour and one of the tour stops includes the hotel where the passenger is staying. Even though the passenger is choosing to get on the tour at a certain stop, because that stop is part of a publicly advertised tour itinerary, the service is considered tourism passenger transport.

However, where the provider is substantially tailoring the service to the hirer’s requirements (including start and finish times and stopping points along the way), this is on-demand charter, regardless of whether the purpose of the service is for tourism.