ATIA

Australian Taxi Industry Association

ANNUAL REPORT

2016

Annual Report

VISION STATEMENT

Enhancing the mobility and well-being of the Australian community.

We do this through efficient, safe, reliable, on-demand, door-to-door services.

KEY STRATEGIES 2014-2017

1. *Strengthen the ATIA's value proposition to member State Associations / Councils.*

2. *Enhance ATIA's government relations to promote effective advocacy for the taxi industry.*

3. *Build strategic alliances at the national and international levels.*

4. *Enhance ATIA's public image and peak body profile.*

5. *Develop infrastructure to support ongoing development and implementation of ATIA's strategic plan.*

ATIA LIFE MEMBERS

1976 N. S. Lake

1986 C. H. Dwyer OAM

1988 R. L. Kermode AM, MBE

1988 F. A. Lang

1988 N. P. Hawke

1990 K. K. Lambert OAM

1993 J. W. Kagan

1995 J. L. Bowe

1998 R. W. Morrow

1999 A. J. Goodridge

2001 K. B. Foley

2002 J. J. McKeough OAM

2006 W. Sievers OAM

2009 H. J. Harrison

2013 N. D. Sach

2015 B. Wilkins

2016 K. Hancock

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TABLE OF CONTENTS

2016

AUSTRALIAN TAXI INDUSTRY ASSOCIATION

NOTICE OF ANNUAL GENERAL MEETING

Members are advised that the forty-eighth (48th) annual general meeting of the Australian Taxi Industry Association Limited will be held as follows -

Date: **Sunday, 30 April 2017**

Time: **12 noon**

Venue: **Chancellor Room 4**
Hotel Grand Chancellor Hobart
1 Davey Street
Hobart, Tasmania

AGENDA

1. Confirmation of minutes of the forty-seventh Annual General Meeting
2. President's Report
3. Chief Executive Officer's Report
4. Presentation of Financial Statements for the year ending 31 December 2016
5. Membership subscriptions for 2018
6. Election of Executive Committee members
7. Election of Office Bearers
8. Confirmation of Honorariums
9. Confirmation of Auditor
10. ATIA annual conference in 2018

Yours faithfully

Blair Davies
Company Secretary

2 March 2017

AUSTRALIAN TAXI INDUSTRY ASSOCIATION

ATIA PRESIDENT'S REPORT

The theme for the ATIA's 2017 conference, "*Inspiration for Innovation*", is particularly apt for our industry at the present. We have a proud history in Australia of being early adopters of new technology and harnessing technological innovation to deliver more effective and efficient services. We need to be doubling down of that approach. There can be no sitting on our laurels with companies like Uber champing at the bit to win over drivers and customers in its quest to dominate the personalised transport sector.

We could rightly complain that competition with a global giant that is prepared to lose USD $3 billion per year, as Uber did in 2016, is patently unfair. Operating with losses of that magnitude is clearly unsustainable for Uber however that quite frankly provides no comfort to hard working Australian taxi service providers if they are driven to the wall before Uber's massive war chests drain to empty.

We should have been able to expect more of State and Territory Governments. Who would have believed a few years ago that these Governments would capitulate so comprehensively to a foreign company and re-regulate the personalised transport sector so effectively for that company's advantage? And yet, that is what has happened in State after State. Unable or too inept to enforce their laws they simply pretended away the problem by legalising Uber's business model.

So where does that leave the taxi services industry? Well, it leaves us hugely disadvantaged, competing on an uneven playing field, but we are far from defeated or as some in the media might want to suggest, "*ubered*".

Undoubtedly, 2016 was a very difficult year for industry members. Looking at 2017, we have most of regulatory changes settled, or close to it, and with certainty around the rules we can now get on with the task of adapting our business models and practices to the new environment. We may not have the deep pockets to subsidise drivers and passengers and the playing field may be slanted against us, but we do have the resolve and determination to compete and do so with better and better service.

Lastly, I would simply note that I have been President of this fine organistion for more than a quarter of a century. I have seen the ATIA and the industry overcome enormous challenges and threats. I have every confidence that we can do the same in the present circumstances.

John Bowe
President
ATIA

ATIA CEO's REPORT

The Australian Taxi Industry Association (ATIA), as the industry's national peak representative body, performs two key roles:

1. providing leadership on matters with national application or significance; and
2. supporting member State/Territory associations by facilitating the exchange of advice, expertise and resources across jurisdictional boundaries.

This report presents the major activities undertaken by the ATIA in 2016 under the following headings:

- Ride-Hailing Apps;
- GST and Ride-Hailing;
- Grab-a-Cab! Campaign;
- Global Taxi Service Quality Network;
- Driverless Vehicles;
- Disability Standards;
- Taxi Rank Master Plans;
- Lobbying;
- Member Councils/Associations;
- Executive Committee;
- International Relations; and
- 2016 Australian Taxi Conference.

RIDE-HAILING APPS

Following on from the decisions in late 2015 by the ACT and NSW Governments to legalise ride-hailing services, most other States introduced similar legislation in 2016.

Notwithstanding the advantage that follower States had to learn from errors and mistakes of their predecessors, ultimately no Government was successful in enacting legislation that would satisfy the triple test for good regulatory reform in respect of taxi services, namely that it is –

1. *appropriate*;
2. *effective*; and
3. *efficient*.

Each State and Territory Government intervened to change the regulatory landscape but none removed regulatory and other distortions such that they could claim to have established a level playing field for all competitors supplying taxi services.

At the Federal Government level, the ATIA continued its engagement of stakeholders about safety, insurance and accessibility concerns in relation to ride-hailing business models during 2016. These concerns were highlighted to members at the annual conference on the Gold Coast, raised with regulators at National Taxi Regulator Group (NTRG) and National Accessible Public Transport Advisory Committee (NAPTAC) meetings, and became a staple topic for discussion in meetings with elected officials and other industry bodies.

In 2017, the ATIA intends to continue its efforts to promote a level playing field for competition between all forms of taxi services.

GST and RIDE-HAILING

After lengthy but effective advocacy from the ATIA, the Australian Taxation Office (ATO) determined in mid 2015 that ride-hailing drivers substantively provide taxi services for the purposes of GST (i.e. under "A New Taxi System (Goods and Services Tax) Act 1999).

Importantly, the ATIA's advocacy in relation to GST and taxation generally has been based on removing regulatory interventions that distort markets. If taxi drivers must register for GST, supply quarterly Business Activity Statements (BAS), and declare their earnings in their annual income tax returns, then so must ride-haling drivers. This is entirely consistent with the ATIA's call for a "level playing field" for all providers of taxi services. In the ATIA's view, competitive advantage should not derive from differential regulatory burdens.

Consistent with previous form, Uber responded to the ATO's ruling by attacking the ATO through the media, attacking the ATIA similarly, putting up its uberX prices by 10%, and challenging the ruling in the Federal Court.

As the court case progressed from 2015 and into 2016, the ATIA provided the ATO's legal team with documentary and other support relevant to taxi services.

After concluding preliminaries, the case was finally heard on 20 and 21 July 2016. Almost 7 months later, on 17 February 2017, Justice Griffiths handed down his carefully considered reasons in 144 paragraphs for rejecting Uber's arguments and arriving at the same conclusion as that of the ATO, namely that an uberX service constitutes supply of a taxi service within the meaning of the GST Act.

While the ATIA cannot be certain as to whether the Judge's decision will be final, because Uber may seek to appeal it, we can be certain that the Judge's decision was the right one, and that the ATIA stands ready in 2017 to lobby tenaciously on behalf of our industry to close any technical deficiency or loophole in legislation that Uber may opportunistically seek to exploit.

GRAB-A-CAB! CAMPAIGN

The ATIA continued to work with its PR firm, Red Agency, on promoting positive imaging for the taxi industry during 2016.

Under the campaign banner, *Grab-a-Cab!*, Red Agency continued to build a digital image and presence for the ATIA that highlights the benefits of using taxi services:

- www.grabacab.net.au; and
- Grab A Cab Facebook page.

Importantly, the *Grab-a-Cab!* strategy was always focussed on complementing the PR activities of member associations, networks, and our international counterparts (e.g. TLPA, IRU, CTA, NZTF).

In 2017, budgetary considerations will likely see the ATIA revert to using in-house resources to support its PR and social media activities.

GLOBAL TAXI SERVICE QUALITY NETWORK

The ATIA continued to contribute in 2016 to the development by the European based, International Road Transport Union's (IRU) initiative of a global certification scheme for taxi service booking apps. The scheme, *UpTop Global Taxi Network (GTN),* promotes global interoperability of legitimate taxi booking apps. Globally, *UpTop* has more than 500,000 taxis cover participating in the scheme.

Relevantly, *UpTop* remains based on the seven (7) criteria developed by the ATIA for app endorsement, namely:

1. *safety*;
2. *service quality*;
3. *fares & payment*;
4. *no discrimination*;
5. r*esponsibility*;
6. *accountability*;
7. *lawful*.

In 2017, the ATIA will continue to be an active member of the IRU and continue as the *UpTop* certification body for Australia. The ATIA CEO will also continue to be actively involved in *UpTop's* International Evaluation Committee.

DRIVERLESS VEHICLES

The ATIA expects that Autonomous Vehicle (AV) and Connected Vehicle (CN) technologies will experience exponential growth and development within the 10 year time horizon and early deployment of (fully) AVs may start impacting the industry from 2020 onwards. These technologies have the potential to be transformational for whole economies and present as both opportunity and threat for taxi services.

Recognising the need for the taxi services industry to stake a claim in the possible futures associated with AVs (and CVs), the ATIA joined the Australian Driverless Vehicles Initiative (ADVI) in March 2016. Also in that regard, the ATIA lodged submissions with the National Transport Commission in relation to AVs/CVs.

It is expected that advocacy of the industry's interests regarding AVs / CVs will remain a key focus for the ATIA in 2017 and beyond.

DISABILITY STANDARDS

In 2016, the ATIA continued its active membership of the National Accessible Public Transport Advisory Committee (NAPTAC). The ATIA was also active in NAPTAC's Accessible Taxi Reference Group (ATRG) and Disability Standards for Accessible Public Transport (DSAPT) Modernisation Steering Committee (DMC).

In the latter half of 2016, the DMC developed some useful structures for progressing the task of modernising the DSAPT. In comparison though, the ATRG did not accomplish much in 2016. In that regard, it was seriously hampered by the changing regulatory landscape for taxi services occurring disjointedly across the States and Territories. In 2017, the ATIA will continue to advocate for achievable and sustainable targets for wheelchair accessible taxi (WAT) services to replace the current target in the DSAPT.

The ATIA's advocacy for a national labelling scheme for mobility devices continued to achieve some success through 2016. There was broad support for establishing a labelling scheme, however most proposals under active consideration stop short of certifying anchorage points on mobility devices. While the safety benefits of such certification are compelling, the associated implementation costs of a genuinely effective scheme are generally viewed as prohibitive.

Advocacy of the industry's interests in respect of viable accessible taxi services will remain a key focus for the ATIA in 2017.

TAXI RANK MASTER PLAN

Unfortunately, MRCagney was unable to finalise the taxi rank master plan for Perth due to difficulties getting sign-off by the TCWA. When those impediments are resolved, the Perth master plan will be added to the ATIA's library of city specific taxi rank master plans for Brisbane, Sydney, Melbourne, Adelaide and Canberra.

All completed taxi rank master plans are published as public documents that are available for downloading from the ATIA website (www.atia.com.au).

LOBBYING

In 2016, the ATIA concentrated its lobbying resources on levelling the playing field for all taxi service providers in Australia. In doing so, we continued to reach out to build alliances with peak bodies of industries / sectors also experiencing unfair competition from market entrants exploiting regulatory loopholes that allow avoidance of taxation and compliance costs. In that regard, the ATIA continued its membership of the Council of Small Business of Australia (COSBOA).

In 2017, the ATIA will continue its practice of making direct, timely, transparent and targeted representations to elected officials in Canberra. This strategy of personal briefings, continues to be the most productive and effective use of our advocacy resources.

MEMBER COUNCILS / ASSOCIATIONS

In 2015, the inclusion of the Tasmanian Taxi Council (TTC) returned the ATIA to a position where it had the peak taxi industry organisation in every State / Territory as a member.

While that continued to be the case for the whole of 2016, two state bodies resigned their membership at the end of the year due to extreme financial difficulties.

It will be a priority for the ATIA in 2017 to work towards the Victorian Taxi Association (VTA) and the Taxi Council of Western Australia (TCWA) re-joining the ATIA. It will also be a priority to review the ATIA's constitution and consult with members and other stakeholders on any changes that present as being in the industry's interest to adopt.

EXECUTIVE COMMITTEE

There were a several changes to the ATIA Executive Committee in 2016.

Messrs Roger Burdon and Kevin M Gange were appointed in February to fill casual vacancies on the Executive Committee. At the AGM in April, both were successful in being elected onto the Executive Committee.

Mr Brian Wilkins were elected as vice president at the April AGM while Messrs John Bowe, Max McBride and John McKeough were re-elected in their respective roles as President, Vice President, and Minutes Secretary.

Regrettably, with the resignation of the VTA noted above, Mr Gange was no longer eligible to serve on the Executive Committee and accordingly resigned his position effective 31 December 2016.

Notwithstanding these changes, the work of the Executive Committee continued without interruption, delivering continuity of focus and direction for the Association throughout the year.

INTERNATIONAL RELATIONS

The ATIA continued its membership of the US based Taxicab, Limousine and Paratransit Association (TLPA) in 2016. Cementing the strong ties between both organisations, the ATIA's CEO was re-elected as an international vice president of TLPA and as such, served as a member of the TLPA's Board and Executive Committee.

The ATIA also continued its association with the International Association of Transport Regulators (IATR). The ATIA views its engagement with IATR as a useful alliance that supports our advocacy for efficient and effective regulatory practices in Australia.

The ATIA continued its membership of the European based International Road Transport Union (IRU) and was an active member of the IRU's *UpTop GTN* International Evaluation committee, its Taskforce on Innovation (bus, coach, taxi), and its Taxis and Hire Cars with Driver (TA) Group.

Fostering and developing the ATIA's international relations with the TLPA, IRU, the Canadian Taxi Association (CTA) and the New Zealand Taxi Federation (NZTF) are viewed as ongoing priorities for 2017.

2016 ATIA TAXI CONFERENCE

The 2016 ATIA International Taxi Conference was held at the Gold Coast during April. Given the unsettled and troubling environment confronting the industry, the 2016 conference had more than its share of "full and frank" discussions.

Nonetheless, the conference proved the value of industry members coming together to share experiences and viewpoints in relation to innovations, trends and developments impacting our industry. Special thanks go to our conference coordinator, Ms Rachel Beard, and to Ms Liza Watt and her team at Ozaccom+.

CONCLUSION

In summary, 2016 was a very productive year for the ATIA. It once again served to highlight how important it is to have a genuinely effective peak representative body operating at the national level that is dedicate to protecting and promoting the best interests of the taxi services industry.

Blair Davies
Chief Executive Officer
Australian Taxi Industry Association (ATIA)

NEW SOUTH WALES TAXI INDUSTRY ASSOCIATION REPORT

2016 has been one of the most significant years for the NSW taxi industry in its history.

Transformational change brought about by the NSW Government's Point to Point Transport Reforms has had a profound effect on the industry.

Despite the shock, we felt when these reforms were announced in late December 2015, the NSW Taxi Industry has demonstrated its resilience and capacity to survive in the face of significant disruption and adversity. Industry economic indicators are proving to be resilient and the industry continues to demonstrate its capacity to confront challenges of this magnitude and grow.

Taxi licence values and yields have stabilised and shown moderate growth and patronage in key areas have shown modest year on year growth. The competitive pressure remains very strong however and further change to the regulatory settings are needed to ensure a genuine level playing field is established.

During the reform process the NSW Taxi Industry Association (TIA) achieved key outcomes that have improved the overall position of the industry in the context of the changes that were introduced. Key achievements in this regard are (but not limited to):

- The largest compensation package ever paid to NSW taxi industry members, and because of the NSW TIA's advocacy, includes an independent review to assess its effectiveness and adequacy.
- The retention of property rights for

licence holders meaning that owners continue to have a capacity to earn a return on their investment.

- Agreement by the NSW Government to reform CTP insurance for the point to point transport sector to establish a level playing field (legislation expected shortly).
- The retention of taxi networks/brand as the primary provider of taxi services (in 2014 taxi networks were under the real threat of being divided in two).
- The ability for taxi networks to set their fares in the future.
- Allowing operators to ask drivers to pay for the excess of an insurance claim where the driver is at fault.
- A review of the workplace relations laws for the point to point transport sector which has resulted in a positive outcome for our industry.

There are also ongoing negotiations to ensure that Uber and other ride-hailing services are held to account in terms of providing a level playing field and we are hopeful that the new regulations will ensure that this will be achieved.

Our number one priority remains CTP insurance. Whilst the Government has agreed to competitively neutral reforms being implemented, the longer this takes to occur the greater the advantage for Uber and others. That is why the NSW TIA continues to push hard for this matter to be resolved as quickly as possible, so that our operators have the best possible chance of competing with all point to point transport providers on a level playing field.

In 2017, the remaining issues that have not been resolved for the point to point reforms will be finalised and we will be able to focus on the business of ensuring that we provide the best possible service to passengers. With a level playing field we stand a great chance of not only holding our own in this competitive environment, but building a strong and viable future for all members of our industry.

As most members will be aware, the Cabcharge Group has left the NSW Taxi Industry Association and NSW TIA. This is obviously a disappointing outcome for all and one that we did not anticipate. As we have written to all members late last month, we are hopeful that this situation may change; we remain open to good faith discussions to address the issues that Cabcharge may have in this regard, however, it is vital that at this critical time we are united on a common set of values for the NSW Taxi Industry and that representation of the industry by professional bodies is there for all members, no matter how large or small.

Despite this setback, the NSW TIA remains viable and is working hard as the peak industry body to represent the whole of the industry.

In NSW, there are over 90 independently owned networks, 4,000 licence owners, 5,000 operators and 24,000 drivers, all needing effective, independent and professional representation to ensure that a strong and viable future for the industry can be achieved.

I would like to take this opportunity to thank my fellow directors and staff of the NSW TIA for their commitment and hard work on behalf of the industry.

We look forward to a productive 2017 although we are aware that it will continue to be a hard fight to achieve the outcomes that we are looking for.

Brian Wilkins
President
NSW Taxi Industry Association

CANBERRA TAXI INDUSTRY ASSOCIATION REPORT

The legalisation of ride-hailing services in the ACT greatly disappointed everyone in the taxi industry and instilled fear for the future. Eight years previously, the reckless release of fifty unneeded taxi licences resulted in the surrender and subsequent re-issue of many government owned licences, a drop in trips per car and a drop in business confidence. (There are still just under fifty licences “on the shelf”, presently unavailable for re-issue).

The prospect of an unlimited number of competitors and the fear by taxi owners that they would lose income and the value of their licences painted a grim picture. Added to that, the novelty value of Uber and its virtual free advertising through various "news" items did nothing to assuage the fears of owners, operators and drivers.

The feeling of many owners was that as the government had sold licences in the past and then rented them for amounts commensurate with market values up to $340,000, they (the owners) should be paid an amount equal to the then current market value of taxi licences and then the government could do what it wished.

Owners hoped that the ACT would be obligated under federal legislation to pay fair compensation for acquiring their property (taxi licence), and so were interested in suing the ACT Government. However, advice from Senior Counsel procured by the ATIA, with assistance from Aerial Capital Group, indicated that such legal action would be expensive and likely to fail on technicalities associated with the concept of "acquisition".

Uber has been operating in Canberra for over twelve months and so far the owners as a group experienced minimal financial impact. Lease fees have remained the same and although licence values have dropped, they have not dropped by the percentage they dropped when an excess of licences were released in 2008.

Uber has affected work on Saturday nights and to a lesser extent Friday nights, and overall trip numbers have dropped by between five and ten percent. It is understood that Uber is relentless and will continue to garner free advertising via some sort of "news" item every six weeks or so, but drivers now believe that on busy nights, some passengers are now taking Uber vehicles into town and taxis home because they are more aware of surge pricing.

One consequence of the new legislation is that the taxi industry will also be free to initiate its own reforms. The Canberra taxi industry has been told it will be subject to the current fare setting regime for 2017, but expects to be free to set its own fares from 2018. This would allow the introduction of flexible fare structures designed to satisfy both passengers and drivers.

Companies are now free to set their own standards with regard to such matters as driver training and presentation, and vehicle standards.

Differences with regard to training, vehicle standards and competitive fare setting remove common interests of competing companies and raise questions for the future role of the industry association given its historical focus has been to deal with authorities on such matters as the above and others such as numbers of taxis and location of taxi ranks. Changes to industry representation should be expected during 2017.

Transport ACT operates what is called the Nightrider service during December on weekends and New Year's Eve. They provide buses to pick up in the city and transfer revellers to outlying town centres. The system has never been successful but has come to be seen as some sort of social obligation. The rule that government agencies should practice competitive neutrality was brought into question in late November when Transport ACT announced that its December Nightrider service was linking with Uber who would provide cars to transport revellers from the bus drop-off point to their homes for $10, with Transport Canberra to pay half of that amount.

CTIA member, the Aerial Capital Group has protested and is seeking answers.

Conclusion

The introduction of ride-hailing has affected the taxi industry in Canberra, taking between five and ten percent of its work. However, the new legislative regime opens the way for the taxi industry to make changes that could strengthen its position in both the rank and hail and booked work markets.

John McKeough
Chairman
Canberra Taxi Industry Association

VICTORIAN TAXI ASSOCIATION REPORT

The 2016 President's Report provided by the VTA highlights the Government's reform announcements to commercial passenger vehicles, and the continued impact of these reforms on the industry in Victoria.

Since the VTA AGM on 9 November, I have taken on the role as President of the VTA. In this period of uncertainty in the taxi industry, this will no doubt be a challenging role. Recent Government announcements have not favoured our industry, however, the VTA is continuing to work closely with Government and all stakeholders to ensure the best possible outcome for customers and industry participants.

As I accept this role, I must recognise and thank out-going VTA President of 10 years, Kevin Gange who continued to lead the VTA for most of 2016. Kevin's reputation and standing within the taxi industry precedes him - Kevin's personal involvement in the VTA for many years, including the past 10 serving as President are testament to his commitment and dedication to stewardship of the taxi industry.

Reflecting on the past year, there can be little doubt that as the months have rolled on so have the challenges we faced. In a sense, it has been a year of two halves – the first half mired in ongoing uncertainty and anticipation of a Government policy position, the second following the Victorian Government's announcement in August spent trying to understand and influence the complexion of reforms.

At the time of the Government's commercial passenger vehicle reform announcement in August, the VTA supported the broad framework of the reforms but remained concerned about the fairness of the transition assistance package and the impact of the planned approach to implementation on industry competitiveness.

Most importantly, the transition assistance package offered in exchange for perpetual taxi licences held by those that have invested in our industry in good faith over many years, in no way adequately reflects a fair deal and will leave many in hardship and facing the loss of assets intended to fund their retirement.

Further, the implementation of reforms over two pieces of legislation will not quickly resolve the fundamental inequality in the operating conditions of taxi business compared to our new competitors and will serve to prolong the period of uncertainty which is so toxic to business investment and competitiveness.

As part of the reforms, it was also announced that the Knowledge test would no longer be a requirement for taxi driver accreditation, and that responsibility for driver training would return to taxi businesses themselves, much to the relief of the entire industry. Despite the best intentions, the poorly designed and implemented test had created a significant barrier to entry to the industry and caused a major shortage of accredited drivers.

Following vigorous industry representation by the VTA and others, in late November 2016, Transport Minister Jacinta Allan announced several amendments to the Government's reform plans. Key changes included an increase in the total number of licences that would be covered in the transition assistance payments from two to four licences and that payments would be made over two years rather than eight.

Whilst we continue to have reservations about many features of the announced reforms, the VTA believe the interests of the industry are best served by maintaining a close working relationship with Government and their representatives to try to influence the nature of legislation which is eventually forwarded for the consideration of Parliament.

2016 saw new Taxi Services Commissioners appointed. Yehudi Blacher was appointed Chairperson for the next three years. Mr Blacher has held a number of senior positions within the Victorian public sector, including Secretary for the former departments of Planning and Community Development, and Victorian Communities. Janet Dore and Monique Conheady will join Mr Blacher as Commissioners of Victoria's taxi and hire car regulator.

I must also take the opportunity to thank and applaud VTA members and all Victorian taxi industry participants for their resilience, hard work and dedication in the face of such difficult conditions. As the role and relevance of Government regulation diminishes, the customers have become our regulators. I believe our resolve and experience in the provision of high quality taxi services equips us well to compete in the new era of commercial passenger vehicle services.

We look forward to a 2017 which hopefully offers greater certainty and direction for our industry

Stephen Armstrong
President
Victorian Taxi Association

TAXI COUNCIL QUEENSLAND REPORT

The past 12 months have proven to be some of the hardest in the history of the Queensland taxi industry. A year ago, the Queensland government was in the process of conducting an inquiry into personalised transportation services - an inquiry that they claimed would be independent and evidence based. Because of this, the Taxi Council of Queensland (TCQ) embarked on a campaign to conduct the most detailed, evidence based study into the Queensland taxi industry ever undertaken.

The independent report produced for TCQ by RPS Australia demonstrated unequivocally that the regulation of taxis in Queensland (and by extension Australia) had produced what has been recognised internationally as the world's best practice. To quote regulators and policy makers from New York and London, "*the taxi industry in Queensland is 25 years ahead of taxis*" in their own jurisdictions. To emphasise this further, RPS sought permission from TCQ to undertake work in London, where regulators grappling with the fallout associated with ride-hailing platforms operating mini-cabs. In short, we have had to suffer the irony of Queensland (and Australian) taxi regulation adopting the regulatory framework of overseas countries, while these same countries are looking to Australian systems of regulation for answers to problems that have been created by ride-hailing. This begs the question, "Just how naïve or incompetent are our current State governments?"

Over this same period, TCQ sought to have the government implement an enforcement program against illegal ride-hailing operations. Initially this involved successfully lobbying the former LNP government to adopt an enforcement program, which ultimately resulted in $1.2 million in fines being issued to ride-hailing drivers. When uber countered this strategy by locking enforcement officers out of their systems, TCQ drafted a Private Members Bill for the Katter Australia party and successfully lobbied the Opposition and other cross benchers to have the Bill passed through Parliament. This resulted in an enforcement program being re-established, and a further $1.7 million in fines issued to ride-hailing drivers.

Notwithstanding this, it was bitterly disappointing for the industry when the Palaszczuk government abruptly abandoned all reason and just decided to follow along behind the other states by legalising ride-hailing, with little compensation to the industry and without a legislative framework in place. The government took no account of the international experience and essentially capitulated to the demands of uber. After being promised an independent, evidence based inquiry and taking the government at its word, industry members were aghast that their government could behave in such a duplicitous and deceitful way.

In 2017, the Palaszczuk government has released draft legislation that it claims should "level the playing field" within the personalised transportation sector. However, once again, the government has acted to accommodate uber to the disadvantage the industry. Currently the draft legislation is being sent to a Parliamentary Committee who will engage in another public consultation process. Because of TCQ lobbying, the Opposition and cross benchers forced through Parliament time constraints on the government in respect to timelines for the draft legislation to be presented to Parliament, with the final Bill to be back before the House by 30 June 2017. TCQ believes that it is in the best interests of the industry to have a speedy resolution to this matter, given that Queensland currently has a hung Parliament and that the government is now possibly only months away from an election.

In terms of the next election TCQ has held a Special General Meeting (SGM) to seek the endorsement of members to conduct a campaign supporting candidates who support the taxi industry. In addition, TCQ also sought to bring forward the last two tranches of levy payments of $360.00 per year (for 3 years), to fund such a campaign. With 93% of the first tranche of these payments being collected though 2016, TCQ believes that it is critical for the industry to mobilise for the next state election, if we are to achieve an equitable and just outcome for the industry. With more than the 760 attendees at the SGM almost unanimously voting to support the election strategy and fund raising effort, TCQ has setup committees to manage each seat, with substantial support from taxi drivers, operators, owners and companies who are intent on fighting this threat with all the energy and time that is needed.

The mobilisation of our industry in such a way plays to one of the industry's strategic advantages. While uber may have substantial funds at its disposal they are not local and cannot counter the fact that the taxi industry operates locally in virtually all towns and cities across the state. TCQ's ability to capitalise on this strength has resulted from a deliberate strategy to mobilise our members over the past 3 years. Ultimately all participants of the industry need to support these strategies and to continue to face the uber threat by fighting on our terms and focusing on our strengths.

Max McBride
President
Taxi Council of Queensland

TAXI COUNCIL SOUTH AUSTRALIA REPORT

The South Australian Taxi Council spent considerable funds over the last twelve months combating the illegal ride-hailing entrants in the market. The funds were primarily dedicated to promoting the taxi industry to the travelling public.

A very effective positively-focused advertising campaign directed to all age groups was organized to highlight the benefits of, and building loyalty to, the taxi industry. Safety and reliability were key focus points in this advertising drive.

The Taxi and Chauffeur Review instigated by the Government in June 2015 was brought to a hurried end due to pressure from the Liberal Party, consequently the State Government announced the reforms in April 2016. The industry would have liked to have had more time in the hope of convincing MP's of the merits of a level playing field between taxis and ride-hailing and a better outlook for the long-term survival of the industry. The Government's changes unfortunately favour new competitors by allowing them to have lower cost structures for their alternative passenger services.

Market entry costs were brought to down to the lowest denominator possible ($85 per year) for hire and ride-hailing cars. Although TCSA negotiated some very good concessions from the Minister of Transport, almost six months after the introduction of the reforms he has failed to bring them under the umbrella of the new Regulations. Nonetheless, we have been assured that impounding of vehicles and demerit points in the future.

Changes to the regulations meant changes were needed to taxi driver training to at least compete with ride-hailing. The government's view is one of self-regulation and the TCSA responded by revamping the driver course to one day with a component for English and Knowledge of Adelaide and a further day at their chosen Taxi Network.

Since the changes to training, the Taxi Council has increased attendance at the courses by 300%. Although some of these potential drivers may be taking advantage of the new streamlined process for "migrant" qualification, the majority do end up behind the wheel of a taxi. The revamping of courses was also applied to Operator Training to encourage potential new operators to lease and operate their own taxis. The idea is based on the fact, that if you are going to operate a car, you would be better placed to run one that has access to pick-ups and hails and established Network bookings rather than rely on an ad-hoc ride-hailing system.

Weekly leases for taxi plates have dropped to around the $300 per week during April 2017. Taxi Plate prices have fallen dramatically and selling below $150,000.

Demand patterns in 2016 remained the same as the previous year with 50% of passengers travelling from or to the Adelaide CBD. Servicing over 12 Million passengers still places the taxi industry as a major player in the public transport system throughout the metropolitan area in Adelaide.

The TCSA still provides Managed Rank programmes at the Airport, high traffic taxi stands in the CBD, major sporting events and at important tourist spots. Relations with the South Australian Police continue to be excellent with senior officers attending monthly TCSA Committee of Management meetings.

Access Cabs which represents 1 in 10 of the metropolitan taxi fleet operates under a specific centralized dispatch centre and a representative of the Access Association holds a permanent seat on the TCSA Committee.

The entry of low cost competitors, the emergence of other industry groups (owners concerned about dropping plate values and multi-lessees fearing loss of drivers to ride-hailing), the change in operational direction of traditional industry groups like Cabcharge, has led TCSA to move to include and embrace various other groups to safeguard the rights of rank and file taxi industry people.

Constitutional changes were implemented at the 2016 AGM to include individuals/groups that have the industry at heart and are prepared to fight for its future. Also, independent (non-industry) persons that can bring valuable guidance to the Committee of Management can also be conscripted to assist. Our first ever independent 12 month appointments of a former Speaker of the House of Representatives and a former Premier and Deputy Premier of SA occurred in 2017.

Whilst we strive to maintain good relations with both sides of politics the industry has had difficulty in getting a fair hearing from the conservatives on ride-hailing policy. Unfortunately, they have been openly advocating options that unfairly advantage ride-hailing and that offer no assistance whatsoever for the transition to a new environment for existing plate owners and operators.

We hope in the new year to convince all parties that ensuring the ongoing viability of the taxi industry, given we carry 1 in 7 public transport passengers, is a public benefit and a good option for this State.

I would like to thank everyone for their support over the last twelve months.

Jim Triantafyllou
President
Taxi Council SA

TASMANIAN TAXI COUNCIL REPORT

The previous 12 months for the Tasmanian taxi industry has seen it somewhat shielded from the turmoil being encountered by our mainland counterparts, particularly in respect to the emergence of ride-hailing services such as uberX. Uber only launched in Hobart on 1 December 2016. The State Government implemented some regulations for ride-hailing providers to adhere to prior to Uber's commencement. These regulations proved to be minimal but something is better than nothing and as we understand it was 'something to fill the gap' in legislation, making ride-hailing activities legal until an industry review is completed. As a concession, the industry received a freeze on the future releases of licences, which were scheduled to occur at the unsustainable rate of 5% pa until 2018.

(It should be noted that Tasmania currently has 1 taxi/hire car for every 847 people or 1 perpetual, OOTL or WAT taxi per 649 people.)

Like elsewhere in Australia, it has been difficult to obtain accurate statistics to measure the impact ride-hailing has had on the taxi industry. As a case in point, fluctuating factors such as the economy, weather and time of year all have huge impacts on the returns made by a cabbie in Tasmania.

However, we did observe the initial momentum for ride-hailing services to be quite slow. With a lack of vehicles on the road they were unable to provide an efficient service. This made a less than favourable impression with the travelling public. The media though, was only too willing to jump on the ride-hailing bandwagon and provide coverage of the service, continually seeking comments from the industry. To date, we have largely managed to keep our thoughts to ourselves, with the mindset of not wanting to provide any oxygen to promote ride-hailing services in any way.

As we moved into 2017, Uber has increased its presence on the road. It appears that their services are being used not so much by the local community but rather by interstate travellers. A pick up/drop off point at the airport appears to be working quite well for them.

The Tasmanian Taxi Council has been moving along nicely and enjoying good rapport with the government and its officials. Currently the State Government is conducting a review of the Taxi and Hire Vehicle Industries with submissions closing on the 30th of April, 2017. The Taxi Council will be lodging a submission that includes what I consider ground breaking ideas for our future. It is certainly exciting times ahead that's for sure. The environment, to which we have all been accustomed to, over a great many years, is now changing and it is entirely up to us to take responsibility and control our own futures for continued success.

Taxi Licence values across Tasmania never escalated to the extent of mainland counterparts. For those interested, they peaked at around $150,000 several years ago. Today, sales have slowed significantly with licences changing hands for between $105,000 and $125,000. Lease fees however have remained solid with no movement in the monthly return for lessor owners. The number of lessee operators seeking to lease licences has been constant and stable.

The mood of the cabbie on the road is also optimistic, with networks making concerted efforts to lift the image of the driver, the vehicle and in turn the service provided. Providing tidy drivers, great vehicles and an exceptional service is considered to be paramount to our future success.

Roger Burdon
President
Tasmanian Taxi Council

TAXI COUNCIL OF THE NORTHERN TERRITORY REPORT

2016 turned out to be as bad as we had expected, with members in a constant state of uncertainty and nervousness, wondering what the government would inflict on us next.

The CPV Review Report

In last year's report, we listed a number of recommendations that the regulators had made in the final CPV Review Report. Let's have another look at three of them:

- *The current cap on taxi numbers in Darwin and Alice Springs will remain. The department will be monitoring key performance indicators such as wait times, number of jobs received by networks, vehicles available, answering time of telephone calls etc. The number of licences to be issued from time to time will be based on these KPIs.*

Just when we thought this issue had been put to bed, it was again put on the table at the Ridesharing Steering Committee meetings. Lifting the cap was included in the Steering Committee agenda as a serious suggestion. We were even asked by the Minister whether we were for or against the idea, as if there should be any doubt. Odd, considering NT Labor had supported our stance against the recommendation in the CPV Review. We are left wondering whether the idea came from the politicians or the regulators. After intense lobbying, it now seems unlikely that it will happen, but it sent jitters through the industry for much of the year.

- *Ride-hailing services such as uberX will not be permitted to operate in the NT, at least for the time being*.

As expected, the change of government has meant that ride-hailing will become legal late in 2017. The government has assured us that they will be careful not to repeat the mistakes that have been made in other jurisdictions. However, it is beginning to look as though they are doing just that.

- *Current industry requirements will be enhanced to require all new industry entrants to undertake the national training program for taxi drivers. Operators will need to complete a training course on establishing a business (such as the free Department of Business training course).*

Rather than enhancing entry requirements, the regulators have thrown them all out the window. The following are some of the changes they have made:

1. Reduced the minimum age to obtain a taxi ID from 21 to 18.
2. Given applicants the choice of doing accredited or non-accredited training.
3. Dropped the requirement for an English assessment for those doing non-accredited training
4. Dropped the requirement for an applicant to hold an Australian driver licence for at least 2 years, for those doing non-accredited training.
5. Allowed taxi operators with no training qualifications to train drivers.

A year after the final CPV Review Report was released, there have been virtually no positive results for the industry. From an industry point of view, it was a complete waste of time and resources, and illustrated the department's total lack of knowledge of the taxi industry. It succeeded only in stifling the industry, deterring potential investors and keeping public servants occupied.

Thirteen taxi licences were issued in Darwin in mid-2016 by the previous CLP government. This was considered a least worst option vis-à-vis the cap being lifted or ride-hailing being legalised.

Prepayment of fares has been introduced between 10:00pm and 5:00am, but this only applies on Friday and Saturday nights. The Department had no answer to our question as to why it should only be these two nights, when taxi drivers experience runners every night.

We have been disappointed that more operators in regional towns in the NT have not chosen to join the Taxi Council. We have approached operators in Katherine and Gove on numerous occasions, and they have sometimes asked us for advice, but we still have no membership in those two towns. 13CABS in Alice Springs has also made a deliberate decision not to join. This leaves the two Darwin networks and Alice Springs Taxis as our substantive members.

A drivers' group calling itself Alice Taxis Association has been formed in Alice Springs. One of their members was included in the Ridesharing Steering Committee, and his sole agenda appeared to be to support lifting the cap on taxi numbers.

It is with a great deal of trepidation that we face 2017. The recent actions of the regulators will see deteriorating standards, and some of us are concerned that there will be almost no point of difference between taxis and ride-hailing services, if the current trend continues. The Department's idea of a level playing field appears to be about moving everyone to the lowest common position rather than protecting the community's interest in a public transport system that can viably provide essential and affordable 24/7 services.

Ali Rkein
President
Taxi Council of the Northern Territory
