

# STATE REPORTS

**ATIA  
International  
Taxi  
Conference**

**Hobart  
30 Apr - 4 May  
2017**

**"Inspiration  
for  
Innovation"**

**2016  
STATE REPORTS**

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### NEW SOUTH WALES

#### Point to Transport Reforms

The focus of the NSW Taxi Council for 2016 was on responding to the NSW Government's Point to Point Transport Reforms. Consistent with most other jurisdictions the reforms legalised ride-hailing, reduced the regulatory requirements on taxis and introduced new measures for the regulation of the point to point transport sector

Taxis retained exclusivity over the rank and hail market whilst the pre-booked sector was deregulated. Taxi networks will be allowed to set fares for pre-booked services and compete on price below a regulated maximum fare in the rank and hail market.

Taxi networks and hire vehicle providers (including ride-hailing) will be subject to a more stringent chain of accountability model and significant penalties were introduced for networks that fail to fulfil their primary duty of care in this regard.

Significant benefits for the disability community were included in the reform package including the doubling of the taxi travel subsidy, an increase in the driver incentive payment and increased loan scheme for wheelchair accessible taxi (WAT) vehicles.

Importantly, taxi licence owners have retained their property rights and therefore licences have a future value. Furthermore, other than WATs, there will be no more new taxi licences issued in NSW for a period of four years.

Legislation was introduced in June 2016 to enact the reforms and the supporting regulations are currently being finalised.

The reforms have been supported by a \$250 million industry adjustment package comprising of an income assistance component (\$20,000 per plate up to two plates) and a hardship fund of \$140 million to compensate for hardship which be determined through agreed criteria. The package is to be ultimately funded through a \$1 levy on all point to point hirings.

As a consequence of representations by the NSW Taxi Council to members of the NSW Parliament, the transition assistance package will be independently reviewed in mid-2017 to assess its adequacy and effectiveness. The NSW Taxi Council will continue to advocate for more funding to be provided to the transition assistance package to ensure proper compensation is provided.

#### Regulations

The final regulatory stage in the reform process is the establishment of the Point to Point Transport (Taxi and Hire Vehicle) Regulation, 2017 (the Regulations). This process has taken longer than the NSW Government's stated objectives and has caused considerable concern to industry members.

The lack of clear regulations impacts on competitive neutrality created uncertainty in the market and undermined the overall reform process.

The NSW Taxi industry is currently governed by over four pieces of legislation whilst our competitors remain relatively free of regulatory oversight. This situation has been highlighted by the launch of London Rides in Sydney in 2016; a ride-hailing firm using a roof top light on a London taxi type vehicle to implement its business model.

The NSW Taxi Council has made representations to a number of regulatory agencies, including the ACCC, to address this issue however the matter can be readily solved through the implementation of the Regulations.

The NSW Taxi Council is pressing the NSW Government to ensure that, amongst other key matters, the regulations create a level playing field in regard to compliance. There has been a significant imbalance in this regard through the past 18 months and the inability of regulators to enforce laws due to the lack of transparency of hire vehicles (including ride-hailing services) contributes significantly to this.

The Regulations are expected to be released for consultation purposes in February 2017 and implemented by no later than the middle of the year.

### **Passenger Service Levy**

The NSW Government's Passenger Service Levy (PSL) will ultimately fund the industry adjustment package. The PSL will be placed on all point to point trips including hire vehicle (hire car and ride-hailing journeys).

There are however, significant issues with the way that the NSW Government intends to implement the levy including, but not limited to, credit risk, cost of collection, industrial relations, competition and taxation. The current design of the PSL is untenable from a taxi industry point of view unless these issues are satisfactorily addressed.

The NSW Taxi Council is currently in detailed negotiation with the NSW Government to resolve this matter so that the PSL can be implemented and the compensation fund be supported accordingly.

### **Industry Economic Indicators**

Taxi licence values and yields fell sharply in 2015 from \$380, 000 to below \$200,000, largely due to uncertainty in the market over the future of the industry.

Since the announcement of the reforms in December 2015, licence values have stabilised and modest growth in value and yields have been experienced.

Taxi licences continue to return respectable market yields and although the outlook for future competitive pressure remains strong, the performance of licences has been resilient through 2016.

Taxi driver supply numbers significantly increased over the past 12 months with average monthly in-flows increasing by up to 80% across the year. This has corresponded with the removal of the requirement for driver training and the knowledge test.

### **Compulsory Third Party Insurance**

Compulsory Third Party Insurance (CTP) remains the most significant issue that is outstanding as part of the overall reform process for the point to point transport sector. Taxi CTP premiums have increased by over 60% in the past 12 months to a cost of over \$9,000 per vehicle.

The NSW Government has committed to reforming CTP for the point to point transport sector and to ultimately put all providers on a level playing field through a risk based assessment model. These reforms are to be complemented by the introduction of a no-fault defined benefit scheme which is designed to remove the systemic inefficiencies in the overall CTP system.

These reforms have however been delayed and the NSW Taxi Council is pressing the NSW Government and all Parliamentarians to expedite these reforms as a priority.

### **Workplace Relations**

After representations from the NSW Taxi Council, the NSW Government established a review of workplace relations in the point to point transport sector.

A NSW Parliamentary Committee of Inquiry was established in June 2016 and the final report recommended that the NSW Taxi Industry be aligned with all other States and Territories in terms of bailment laws. Specifically, the Committee recommended that the Industrial Relations Act be amended to remove the taxi industry from the overly prescriptive regulatory requirements contained within the NSW Contract Determination.

This is a positive outcome for the NSW Taxi Industry as it will help ensure competitive neutrality with other point to point transport providers in the area of workplace relations.

It is understood that these legislative changes will be introduced in 2017.

It has also resulted in the dispute with the Transport Workers Union (TWU) in the NSW Industrial Relations Commission being adjourned whilst this reform process is being implemented.

### **Rural and Regional Services**

The NSW Country Taxi Operators Association (CTOA) has been very active in representing the interests of rural and regional taxi operators. Whilst the disruption of Uber has only had limited impact in country areas at this time, other competitive and economic pressures are threatening the viability of country taxis.

Pressure from new hire car entrants, community transport and courtesy transport are all contributing to increasing competitive pressure in regional areas. The point to point reforms have made entry into the market much easier, including in rural and regional NSW, and therefore country taxi networks and operators are actively working to prepare from competition from all and sundry.

The NSW Taxi Council and the CTOA are responding to the NSW Government reforms for country NSW and specifically how the industry can continue to provide excellent point to point transport services to regional areas.

### **Future Directions**

The NSW Taxi Council is undertaking a detailed industry strategic planning process to help shape future direction for the industry. This process will engage with industry members and help form an overarching strategy for the industry to adopt and use in their respective businesses as appropriate.

The future directions process is designed to develop strategies that will help make the industry more competitive and viable into the future. An emphasis is being placed on growth as well as building capacity through embracing advanced technology (including autonomous vehicles) and related systems to help prepare the industry withstand future shocks that are going to arise through further disruption.

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### VICTORIA

This year has again seen many announcements and changes in the taxi industry in Victoria. The VTA has maintained an ongoing focus on maintaining relationships with Government and contributing to discussions about the future of commercial passenger vehicle regulation.

#### **Driver accreditation**

In 2015, a major concern following previous Government reforms was the impact of the Knowledge test on driver supply. The VTA were concerned to see a sharp contraction in the number of available taxi drivers, largely because they were unable to pass the Knowledge test. This affected both existing drivers (drivers who had driven for five years or less) and new drivers.

At the time, The VTA strongly argued for urgent amendments to the test, and were successful in getting a number of these amendments implemented, but also argued for the complete removal of the test and a move to an industry based testing and monitoring regime.

In August 2016, the Knowledge test was removed as a requirement for taxi driver accreditation with driver training returned to taxi businesses themselves to the relief of drivers and all involved.

#### **Industry reforms**

This year also saw ongoing discussion about the future of commercial passenger vehicle regulation. In 2015, the TSC launched legal action in the Magistrates Court against several Uber drivers. The case against UberX driver Nathan Brenner, was used as a test case for a small group of drivers facing similar prosecution. Following several adjournments, the TSC was successful in the proceedings.

Uber subsequently appealed the conviction in the County Court in May 2016 and was successful in having the conviction overturned. As revealed at that time, the defence revolved around an obsolete clause in the Transport Act, section 159.

In July 2016, Parliament passed an amending Bill that removed section 159 thus removing the loophole that provided the defence in the Brenner case, though too late for the prosecutions that were afoot.

Most significantly, the Victorian Government finally announced reforms to the commercial passenger vehicle industry 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.

In light of these announcements, VTA hosted an industry event to brief the taxi industry on the changes and answer questions, attended by The Hon Jacinta Allan MP, Minister for Public Transport. Supporting speakers included the Taxi Services Commission and Logie-Smith Lanyon Lawyers.

The event was an opportunity for members to have their concerns addressed in an appropriate environment. During this time of uncertainty, it was this engagement that provided some form of clarity to all those concerned.

After successful representation of the industry by the VTA and others, in late November 2016, Transport Minister Jacinta Allan announced amendments to the Government's reform agenda. Key changes included extension of the announced transition assistance payments to cover four licences rather than two and payments being made over two years rather than eight. These represented significant changes to those announced in August but concerns remain about the fairness of transition assistance for those that have invested in our industry in good faith.

### **Other projects**

There were changes to various other regulatory instruments and Government initiatives in 2016, which the VTA contributed to, including:

- Removal of taxi-cab vehicle specifications, including age-limits
- A review by the Essential Services Commission (ESC) of metropolitan and urban taxi fares - after a period of consultation, on 17 June 2016, the ESC released their final decision on their biennial review of taxi fares. The final determination maintained maximum fares for the Metropolitan zone and Urban and Large Regional zone at the same levels as the 2014 determination, with minor changes to the late-night fee and holiday rate in Urban areas.
- A review by the ESC on the impact of Price Notification in Country and Regional zones
- Conclusion of the \$4 million hardship fund for licence holders who could demonstrate significant financial hardship stemming from the Victorian Taxi Industry Inquiry.
- Gazettal of new taxi-cab camera specifications

The VTA signed up as a supporter of the "RACISM. IT STOPS WITH ME" campaign. The Australian Human Rights Commission launched the campaign to make sure Australians recognise that racism is unacceptable in our community, to give the community the tools to take practical action against racism, and to empower individuals and organisations to prevent and respond effectively to racism.

New Taxi Services Commissioners were also appointed in 2016. 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. Finally, this year, Georgia Nicholls accepted the role of CEO of the VTA, as David Samuel moved onto new challenges.

The VTA eagerly anticipate the introduction of legislative amendments in early 2017 to affect the Government's reforms and are committed to the ongoing vigorous representation of all taxi industry participants in the passage of these reforms.

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## AUSTRALIAN CAPITAL TERRITORY

### Introduction

With the legalisation of ride-hailing in the form of UberX at the end of 2015, the ACT taxi industry entered a new world.

Prior to Uber's entry and during the "Taxi Innovation Inquiry" Canberra was subjected to the Uber pattern of free advertising in the guise of news items, exaggerated promises of driver income, and exaggerated reports regarding the number of committed drivers. These items were designed to frighten the taxi industry and excite potential passengers, maybe a tactic used by any new entrant into a market, but particularly galling to taxi people who could see through the blarney.

The launch of Uber by an excited Chief Minister just before his visit to Uber's Californian headquarters and during which some of his staffers wore Uber T-shirts was annoying to the taxi industry.

As in other jurisdictions, accompanying changes to legislation have removed many obligations regarding driver training and age and cleanliness of vehicles.

Regulation of taxi fares is expected to be discontinued in 2018.

Previous arguments that Uber should be subjected to the same rules as taxis based on the promises of a "level playing field", were left flat once the new definitions of "taxi" work and "booked" work were announced.

Once insurance companies categorised those definitions and accepted premiums the betrayal was complete.

The taxi industry was shocked in November when the government owned bus service appeared to enter a joint promotion with Uber and a rumour has been circulating that ten more taxis will be released in February.

Little else occupied the taxi scene during the year, as the effects of the Uber entry were assessed and the taxi industry considered its position.

### Uber's free advertising

The Uber style, exaggerate everything, to both demoralise the opposition and to attract customers, did not result in a flight of passengers from the taxi service. Uber "news" items included items in the Canberra Times proclaiming that Uber would provide a "first and last mile" service to complement existing and future public transport, something which the taxi industry has been doing for all of its existence, and pictures of taxi drivers who were to change over to something better and a female artist who was looking forward to earning money in a pleasant environment in her spare time.

Uber produces a “news” item about every six weeks to remind people that it is still around.

This would be familiar to other state representatives who have seen variations of this in their own jurisdictions.

### **Effects of UberX**

The entry of UberX into the Canberra taxi market did not produce the devastation it appeared to promise.

Figures obtained from the Aerial Capital Group, the CTIA member in the ACT, indicate that the number of trips per taxi per day have fallen by around 10%, but other factors deny that taxis are experiencing such a drop in income.

UberX has had an effect on Saturday, and to a lesser extent on Friday nights, but are reportedly having very little effect during the rest of the week. UberX airport traffic is anecdotally very light.

It could be argued that the main indicator of health for the industry is the price that an operator is prepared to pay to lease a taxi. If lease fees have changed since the entry of Uber, they may have risen slightly.

Further, the value of taxi licences has not collapsed as previously expected. In 2008, fifty unnecessary licences were released in Canberra. The drop in jobs per car resulted in a huge drop in confidence and a drop of around 20% in the value of licences. Since that time, the value has not moved up and very few licences have been sold. The entry of Uber saw licences drop by between 11% and 15%, and three were sold in the twelve months since October 2015. There is no guarantee that Uber will not relentlessly erode the taxi business, but in Canberra, it has come up against an efficient and popular opposition.

### **Other regulatory changes**

It appeared to the CTIA, that other regulatory changes such as those concerning the age and cleanliness of vehicles and driver training, which the taxi industry had previously worked long and hard with regulators to have established, had been discarded to help create a “level playing field” for Uber. But to be fair, it might be said that the industry convinced the government to include such regulations so as to make its own job easier. It is now up to networks to set their own standards for affiliated operators and drivers, to reform the industry from within, a task that will demand good judgement and courage.

### **New taxi company**

In July 2016, a new taxi group emerged in Canberra. It is known as ACT Cabs and consists of about fourteen taxis. The taxis were drawn from the fleets of multi car operators in the Aerial fleets who have stated that the main reason for the breakaway was the base fees charged by Aerial. They did commence

charging lower base fees than Aerial, but were provided with fewer services. A contradiction to the above reason occurred when one member agreed to pay higher lease fees to the owner of an Aerial affiliated taxi to convince her to switch allegiances.

A major point of difference is the stated policy of the new company that Uber drivers and taxi drivers should be interchangeable, based not on the need to raise the standards of Uber drivers, but on the need to lower taxi driver standards.

Drivers for the company are believed to be performing very little booked work, and obtaining the vast majority of their work from the airport rank. One operator has already decided to re-affiliate with Aerial. The company has stated an interest in joining the CTIA, but has not responded since membership fees and standards were relayed to its manager. The third Canberra taxi company, Cabxpress remains with around thirty vehicles. It too, is believed to perform very little booked work and draws most of its work from the airport. Both ACT Cabs and Cabxpress were quick to abandon the requirement for drivers to wear a uniform, once the regulations were changed.

### **Uber and the Government bus service**

In December each year, on Friday and Saturday nights and New Year's Eve, the Government's ACTION buses provide what is called the Nightrider Service, a service that is designed to help clear the city area of revellers at the busiest time of the year. The service runs from the city to outlying areas and this year standard fares of \$4.70 applied (\$2.30 for concession holders). The service was scheduled to run every twenty minutes between 11:00pm and 2:00am. It is believed that the service has never been successful, but the pressure to be seen as socially responsible has compelled the government to continue every year.

The bus service usually consults the taxi industry about how the service is to run and asks that taxis are made aware of the possibility that passengers may need local services at various, but not set times. The industry has never been reckless enough to promise to pick-up in outlying areas at approximate times. This year, Uber took the opportunity to do a deal with Transport ACT whereby they promised a \$10 discount from any "last mile" hiring from a Nightrider drop-off point. Full marks to Uber for their ability to gain free publicity for an empty promise (even if an Uber car was to anticipate a hiring and wait at a bus stop, \$10 off a surged price would be no good deal for the passenger), but it was announced that Transport ACT was to contribute \$5.00 of the \$10.

If this is true, the question of competitive neutrality arises and the Aerial Capital Group is pursuing the matter.

### **Ten extra licences**

The release of fifty unnecessary leased taxi licences in 2008 resulted in the permanent surrender of about forty-seven licences to the Government. Those

licences are still on the shelf and it has been stated that the Government will not revisit the question of another release until 2019.

However, a rumour has been circulating that a further ten licences will be released in February. This is at a time when service delivery in Canberra has never been better, and when there is no mechanism in place through which licences can be released.

Any release of extra government leased licences would be seen as a deliberate attempt to lower the income perpetual licence holders and the value of their licences and will be vigorously opposed.

### **Considering the future of the taxi industry and the CTIA**

Since the entry of Uber into the taxi market, the CTIA and its member, the Aerial Capital Group, have been considering their futures in the new world of small vehicle passenger transport.

The question of who is the taxi industry has been raised. In times past, it might have been said that owner-drivers were the taxi industry. They had their lives and money invested. They were passionate about its reputation, and through membership of their co-operative, they controlled its destiny. But when leasing taxis became legal, lessors simply became more like investors, and now in Canberra there would be less than ten owner-drivers. This has long since made the co-operative somewhat irrelevant, removed the image of the owner driver as the face of the industry, and handed over substantial responsibility for the industry to taxi companies. It is now the individual company policies that set standards and face the task of attracting the allegiance of passengers, owners, operators and drivers.

The different attitudes of some taxi groups to such matters as driver uniforms and driver training would appear to work against the idea that they may want membership of an organisation such as the CTIA which has long promoted enhancements to the image and performance of the taxi industry.

The CTIA believes that the structure of industry representation needs to be reviewed and that taxi companies need to address the fact that there are two distinct (and possibly more) markets to be serviced if the industry is to take advantage of the extra freedom it now has.

### **Conclusion**

2016 was an “interesting” year for the ACT taxi industry. The industry was not decimated by the entry of Uber, as some had expected. There are still people seeking to lease taxis, and except for Friday and Saturday nights, drivers are not complaining about hard times, and the CTIA and Aerial have taken time to assess the current situation and to prepare for the opportunities that may arise in the future.

## QUEENSLAND

### Introduction

Taxi Council Queensland (“TCQ”) worked tirelessly throughout 2016 addressing issues relating to the continued growth of illegal taxis.

The following is a brief recap of some of the work undertaken by TCQ in 2016:

- January to March:
  - TCQ hosted more than a dozen Member Forums held state-wide regarding the Personalised Transport Services Review (“PTSR”);
  - TCQ gave evidence and provided a detailed submission to the Infrastructure, Planning and Natural Resources Committee (“IPNRC”) in response to the “Katter Bill”;
  - TCQ undertook an international research tour to experience, first hand, the devastating effects ride-hailing has had on public policy around the world.
- April to June:
  - TCQ hosted more than a dozen Member Forums held state-wide to explain the outcomes of its research;
  - TCQ finalised more than 600 pages of research in response to the PTSR representing the most comprehensive piece of taxi research compiled anywhere in the world.
- July to September:
  - TCQ conducted the AGM independent of the conference that saw more than 300 participants representing more than two thirds of the Queensland taxi fleet;
  - TCQ hosted its Annual Conference in Townsville attracting greater numbers than any since my commencement in 2012;
  - TCQ responded stridently against the appalling decision of the Government to implement NSW-equivalent reforms in Queensland.
- October to December:
  - TCQ hosted more than a dozen Member Forums held state-wide to Members on happenings;
  - TCQ gave evidence and resubmitted the full research documents, with the additional papers totalling more than 700 pages, to the Transport and Utilities Committee regarding the Industry Adjustment Assistance Package (“IAAP”);

- TCQ participated in the Personalised Transport Industry Reference Group (“PTIRG”) to attempt to fix the Government’s colossal blunder;
- TCQ hosted its Annual Awards Night attracting well over 100 participants and included the awarding of a Taxi Hero Award and conferring a Life Membership.

The Queensland government has structured its regulatory changes in such a way to negate the need for proper and fair compensation to be paid to licence holders. In fact, the government has continued to issue taxi licences, receiving hundreds of thousands of dollars for each issued licence, until 2012/13. They now are offering just \$20,000.00 (for a maximum of 2 licences) in assistance. In effect the government has facilitated the transfer of the life savings from the balance sheets of Queensland families and handed their wealth over to Uber to strengthen its balance sheet. Worse still is the fact that the Queensland government has not delivered on its promise to “level the playing field”. So, in effect the government has deliberately devalued our businesses and then tried to ensure we fail in the market place by forcing us to compete on the wrong side of a severely unlevel playing field.

The Queensland government has effectively ensured that the personalise transport sector is now on a race to the bottom in terms of service delivery and affordable services, with no thought about community benefit. Without the well-established and necessary internal control systems within taxi companies, and the price certainty provided by a regulated maximum fare, the quality of personalised transport services will diminish over time, leaving Queenslanders with poorer services and higher prices. Every deregulation event anywhere in the world has produced a similar result, bar none.

At the time of writing the criteria for hardship payments had not be finalised by the Queensland Government notwithstanding that all the necessary input and feedback had been received from industry. It seems unlikely that the Government will be able to produce a new, workable framework for the sector within the legislated timeframes of March 2017 for draft legislation and June 2017 for enacted legislation. This is sadly just another example of the outcomes that one can expect from “policy on the run”. Hopefully 2017 will prove to be a better year than 2016.

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### SOUTH AUSTRALIA

The last two years have been the toughest for the SA taxi industry since the turbulent days of the early 1990's when State Governments repeatedly threatened the industry with open entry of its market.

As all other State Government Reviews, the SA Taxi and Chauffeur Vehicle Industry Review (finalized in February 2016) was hailed as an innovative approach to passenger transport. In other words, the inclusion of a new competitor with hardly any cost structure to take away legitimate work built up over years from the taxi industry.

As we all know there is nothing innovative to not paying the same accreditation fees, insurance and registration, CCTV outlays, plate costs and taxes and therefore being able to deliver cheaper fares to customers at the drop of a hat.

Permitting an imported "gypsy cab" idea to affect the viability of an industry that has been improving its customer service relentlessly for over two decades is a travesty.

Trying to talk sense to politicians only too eager to jump on board so called "new economy models" can be a rather daunting task, so to get the message across the TCSA chose to highlight the safety and service standard risks of ridesharing.

Admittedly there were some parliamentarians that lent their support to the notion of a "level playing field" as they understood the possible impacts to the livelihood of thousands of people. The actual introduction took another four months and in July the Minister of Transport, the Hon. Stephen Mullighan, endorsed the following reforms:

#### **Ride-hailing vehicles and Companies**

1. Ride-hailing to be placed under hire and chauffeur car category but not to have a similar number plate.
2. All (hire, chauffeur and ride-hailing) annual car licence fees to be reduced from almost \$2000 to \$85 per year.
3. Ride-hailing to undergo one Department approved safety inspection per year and upon completion, the private vehicle is to be identified with a permanent blue diamond sticker on the rear number plate and an inspection label on the front windscreen of the car.
4. Accordingly, CTP and Registration rates will be the same as hire and chauffeur cars (unlike private vehicles which are cheaper)
5. Ride-hailing drivers must conduct criminal history, DCSI (working with children) and medical checks for accreditation purposes
6. Ride-hailing vehicles to have an age limit of 8 years



7. All other point to point hire and chauffeur vehicles to have 6.5 age limit
8. Ride-hailing company to accredit services (as Transport Booking Service) and provide regular reports to Department of Transport.

### **Taxi vehicles and Companies**

1. Vehicles to have an age limit of 6.5 years
2. Taxis to have exclusivity to rank and hail
3. A freeze on all taxi licence issues for 5 years
4. Taxi Cameras to be upgraded to audio function
5. Metered fares to be maintained in interests of public
6. Lump sum payments to all taxi licence owners of \$30,000 and
7. \$50 per week, up to 11 months, for all lessee operators
8. Training of drivers and operators to be liberalized and managed by Taxi Council and Taxi Networks.

The lump sum and weekly payments to be funded by a \$1 levy per trip on all taxis, hire and chauffeur and ride-hailing vehicles.

A new maximum penalty of \$15,000 will apply to breaches of the Act such as driving vehicles which fail to meet safety standards, unaccredited drivers and unauthorized booking services.

Since the introduction of “innovative services” Uber continues to resist the Accreditation process for itself, its drivers and their vehicles. The TCSA has placed tremendous pressure on the Government to ensure that they operate legally and work under the new Regulations.

They have chosen a middle of the road approach. Fines are being constantly issued to ride-hailing vehicles and drivers for not being accredited but the Government is not quite willing to take the next step, of applying more direct solutions to resolve the matter.

The TCSA has suggested several options for the intransigence of ride-hailing groups like Uber, namely;

1. Attach demerit points to every fine issued, although fines can be paid this will eventually deter the drivers from continuously breaking the law as there is a limit on their driver’s licence.
2. Impound the offending vehicles which would put considerable burden on the driver as the vehicle will be out of action for a month along with a hefty fine for its recovery.
3. Prosecute the executives who are aiding and abetting in the breaking of the law by not directing drivers appropriately and refusing to subscribe their organization under the new Regulations.

4. Ban the use of the offending App and ISP address as has been done for many other illicit and illegitimate operations (e.g. Pirate Bay), which would bring the whole operation to a standstill overnight.

To date TCSA has been assured by the Government that demerit points and options for impounding vehicles are being considered in the future. TCSA intends to continue its information campaign to as many organizations as possible highlighting the illegal status of Uber and the risks involved in the utilization and promotion of such a service.

### **Cabcharge hire car ride-hailing**

As if the assault of ride-hailing on the industry was not enough, in August, Yellow Cabs decided to introduce hire cars into its fleet.

They argued that by inputting hire cars taxi work would be protected from being lost to ride-hailing groups like Uber. However, many in the industry view the strategy sceptically.

The TCSA is hopeful that Yellow Cabs will return to the industry, and in the meantime, we shall compete to the best of our ability against all ride-hailing competitors.

If the industry is still standing strong in 12 months' time you will know that we have done well. Wish us luck.

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## TASMANIA

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<sup>1</sup>.

The initial momentum for ride-hailing services in Hobart was 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 30 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.

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<sup>1</sup> Tasmania currently has 1 taxi/hire car per 847 people or 1 perpetual, OOTL or WAT taxi per 649 people.

## NORTHERN TERRITORY

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.

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