

STATE REPORTS

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**"Communicating
&
Connecting"**

2014
STATE REPORTS

TABLE OF CONTENTS

NEW SOUTH WALES2

VICTORIA5

AUSTRALIAN CAPITAL TERRITORY7

QUEENSLAND13

SOUTH AUSTRALIA16

WESTERN AUSTRALIA.....19

NORTHERN TERRITORY23

NEW SOUTH WALES

Introduction

2014 was a year of both opportunity and challenge for the NSW Taxi Industry. The year has been dominated by the issue of ridesharing and the introduction of new legislation for the regulation of the NSW taxi industry, however the year culminated in the inaugural NSW Taxi Industry State Conference which was an outstanding success.

Industry Performance

The NSW Taxi Industry continued to perform well throughout 2014. The industry exceeded all of its statutory obligations and complaints remain very low relative to the number of journeys taken.

In addition, the NSW Taxi Industry recorded high levels of customer satisfaction in the NSW Government's Annual Public Transport Customer Satisfaction Index, with an overall rating of 82% satisfaction. In the areas of safety and reliability, the NSW Taxi Industry recorded satisfaction ratings of 88% and 86% respectively.

The NSW Taxi Industry is actively working on further improving these customer service levels in 2015.

Ridesharing

Illegal ridesharing was launched by Uber in Sydney in April 2014. The NSW Government responded by declaring these services illegal and has undertaken compliance action, including fines and court action, to ensure that the laws for operating taxis are upheld. Despite these actions, Uber has continued to defy the law and promote its ridesharing service.

In response to this, the NSW TIA has undertaken a proactive campaign to ensure that illegal ridesharing is properly dealt with and the risk to the industry is minimised. This has included extensive advocacy and public relations campaigns, as well as engagement with Government agencies to assist with compliance activities where appropriate.

The NSW TIA has also been working with its members, as well as the ATIA, to encourage and promote high levels of customer service by all members of the NSW Taxi Industry. This is key to ensuring that the public remains supportive of the NSW Taxi Industry and are not tempted to use these illegal ridesharing services. This includes being actively involved in the ATIA's Grab-a-Cab campaign which will be launched in early 2015.

This issue remains the highest priority for the NSW TIA and significant effort and resources are being devoted towards achieving a successful outcome in this regard.

New Legislation

In June 2014 the NSW Government introduced new legislation into Parliament for the regulation of the NSW Taxi Industry. The legislation was passed unopposed in October 2014.

The new legislation introduced the concept of independent booking services for taxis (to be known as accredited booking services) although taxis will still be required under law to be affiliated with an authorised network. The legislation also allowed for the NSW Government to introduce a cap on credit card service fees in taxis, and a cap of 5% was implemented on 12 December 2014.

The new legislation upheld a regulated taxi service for NSW and there will be no open-ended licensing system.

Licences

The NSW Government determined that 95 new licences, as well as 217 'replacement' licences should be issued in Sydney in 2014. The new licences were Peak Availability Licences (PAL) which the NSW Government advised were to address demand in peak periods. This determination was significantly less than what was recommended by IPART but it was still nonetheless a significant number for the industry to accept and the NSW TIA has been actively advocating for no more plates to be issued in 2015.

At the time of this report, the NSW Government is considering the number of licences to be released for 2015. IPART has recommended that no more new licences be issued which is a welcome development.

Taxi Fares

The NSW Government determined that taxi fares should increase in line with CPI for 2014. Whilst the costs of operating a taxi increased by over 3% in 2013/2014, it was an appropriate decision and once again was in contrast to IPART's recommendation for a fare freeze.

IPART is again recommending that fares be frozen in 2015. This matter is being addressed with IPART and the NSW Government.

Industrial Relations

The NSW TIA is in litigation against the TWU over the manner in which drivers bail taxis in NSW. The TWU is seeking to substantially change the arrangements between taxi drivers and operators in NSW. The TWU has applied to the NSW Industrial Relations Commission to establish a minimum payment of \$24.14 per hour for taxi drivers, as well as a range of other key changes to the NSW Bailment Agreement. If approved, these changes will

have significant negative financial implications on the NSW Taxi Industry, as well as potential wider implications for the taxi industry across Australia.

The NSW TIA is strongly defending this claim from the TWU.

Hire Car Regulation

The NSW TIA continued to advocate on the issue of hire car reform, particularly in relation to the issues of pre-booking times, minimum fares and improved vehicle standards. This issue remains ongoing and it is hoped that this will be finalised shortly.

Training

The NSW Taxi Council was retained by the Department of Veteran Affairs to develop a training package for the NSW Taxi Industry for the delivery of standardised taxi services in support of war veterans and their families. This project was carried out in conjunction with a number of ex-service organisations (ESO) and included a detailed needs analysis of what is required for the training of taxi drivers and network staff in support of DVA clients.

DVA is now considering the implementation of this training package.

The NSW TIA, through the NSW Taxi Council, has provided the following training outputs:

OPERATOR COURSE 2014	TOTAL
Operator Course Enrolments	447
Operator Course Completed	378
Operator Course NYC	5
Operator Course CND	22
Operator Failure to Attend	42
WATS COURSE 2014	TOTAL
WATS Course Enrolments	228
WATS Course Completed	198
WATS Course NYC	4
WATS Course CND	6
WATS Failure to Attend	20

TOTAL NUMBER OF BRONZE & SILVER LEVEL 2014	TOTAL
Enrolled in Bronze Level	1769
Graduated Bronze Level	866
Enrolled Silver Level	887
Graduated Silver Level	848

VICTORIA

The first half of 2014 in Victoria progressed along similar lines to the later part of 2013. The government and the Taxi Services Commission (TSC) continued to transition toward a number of the key reforms which were scheduled to come into effect on July 1 2014. Probably the most significant reform introduced during the first part of 2014 was the introduction of a mandated electronic surcharge payment to a maximum of 5%.

The VTA was busy during the first part of this year responding to a number of Regulatory Impact Statements (RIS) and policy models released by the TSC relating to the proposed policy reforms slated to come into effect on July 1 2014. These included:

- New Licence Zones and Zone Boundaries.
- Implied Driver Agreement Conditions.
- Excessive Entry Test.
- Consumer Interest Test.
- Price Notification (Country & Regional areas only).
- Public Register.

The VTA provided a detailed response to all of these proposals and achieved many meaningful outcomes and important amendments.

One of the most pressing issues became the effect of the proposed Price Notification System for country and regional areas. This policy effectively meant that country and regional taxi operators became responsible for setting their own fares.

Without intervention by the VTA this would have seen country and regional taxi operators run the very real risk of breaching the cartel provisions set out in the Competition and Consumer act 2010. After considerable effort and expense the VTA were able to secure Authorisation on behalf of country and regional operators from the ACCC for the next 3 years.

19 May 2014 also saw the first fare adjustment in Victoria since 2008. The fare structure was also changed with 3 different rates introduced for different times of the day. The flag-fall was also significantly increased to try and alleviate short fare refusal.

July 1 2014 saw a number of the key reforms resulting from the Taxi Industry Inquiry actualised, including:

- As of right licences, at a price dependent on geographic location.
- New licence zones - reduced to four across the State.
- Price notification in country and regional areas.

- The knowledge although the first drivers did not sit it until August
- Mandated 45/55 driver operator split and other implied conditions including compulsory third party insurance.

Outside of the implementation and actualisation of a number of key reform measures, Victoria also saw the emergence of Ride Share services like Uber. The regulator initially took strong action and sought to fines drivers. This action led to the prosecution of 12 Uber X drivers. Uber have paid all fines issued to Uber X drivers and are paying for the legal defence of the 12 drivers who have pleaded not guilty. The case is ongoing. Uber were also issued with a cease and deist letter from the TSC.

A great deal of conjecture remans in Victoria as to the amount of work Uber are doing and the popularity of the Uber X service amongst consumers. Regardless of this, as we enter 2015, this remains the standout issue for the taxi industry in Victoria along a couple of the reform measures including the unlimited release of licences and the Knowledge test.

The VTA spent a great of time and resources during 2014 responding to the policy announcements and changes emanating from the TSC. Outside of this the Association also embarked on a significant Public Relations and engagement campaign. Initiates in this respect included:

- The #TaxiTrippin initiative - website and social media focus. Included free trips and competitions for consumers
- Signed an agreement with St John's Ambulance where the VTA provides them with free taxi trips to distribute to people at major events in need of assistance.
- A new VTA website.
- New Facebook and Instagram accounts/campaigns.
- Taxi Back promotions.
- Securing Your Ride website and promotion highlighting the importance of authorised taxi networks.

During 2014 the VTA were sad to mark the passing of CabCharge founder Reg Kermode AM, MBE, JP. No one in Victoria doubts the tremendous legacy left by Mr Kermode. The VTA were also sad to lose long time contributor and VTA President and CEO Phil Franet. Mr Franet passed suddenly in August 2014.

Finally, November 2014 saw the Coalition Government led by Dennis Napthine lose government at the State election after only one term in power. Labor won the election in their own right (although they did not secure the Upper House) and Daniel Andrews was elected Premier. November also saw Marnie Williams announce that she would be resigning as CEO of the TSC in 2015 with April 30 being her last day.

AUSTRALIAN CAPITAL TERRITORY

Introduction

In 2013 Canberra celebrated its centenary. Many people worked very hard to lift the image of the national capital and to bring in visitors. Their activities did produce some extra business for the taxi industry; but this was just as well, as for most of the year from February, Canberra was in election mode. This meant that normal interaction between the federal government and business representatives dropped considerably and the taxi industry was denied much of its normal income.

The election of a new federal government, which promised to cut back public service jobs, cast a pall over the Canberra business scene that continued during 2014. Although the previous government had been quietly shedding PS jobs at a steady rate, the thought of large-scale sackings and the possibility of transfers of jobs to regional centres caused a drop in confidence in all sectors of the Canberra economy.

During 2014, the ACT government accepted responsibility for the existence of over 1000 “Mr Fluffy” homes, homes that had been insulated in the 1970’s with asbestos “wool”. To solve the problem for the homeowners the government intends to buy the affected homes and re-develop and resell the blocks. This is initially expected to have a \$1bn negative impact on the ACT budget. Even after resale, the government is expected to be \$200m-300m out of pocket. Also during 2014, amid a good deal of controversy, the ACT Government resolved to spend around \$700m (many expect this to be more like \$1.2bn) on a 12km light rail system serving only a 12km strip into the city centre. This is intended to be the first stage of a Canberra wide network, which will demand large amounts of capital for some time. The current government is committed to the project but so far has signed no large construction contracts. The opposition says it will scrap the plan if it is elected at the 2016 ACT elections.

On the other hand, the Canberra Business Chamber believes Canberra’s priorities should lie in the development of a new convention centre, the introduction of international flights to the city, and the development of a very fast train between Melbourne, Canberra and Sydney.

The taxi industry will benefit from any improvements to public transport that will prise commuters from their cars whether that is through a tram network, an improved bus service, or a constriction in the number and a rise in price for parking spaces [Indeed, the introduction of paid parking into the Parliamentary Triangle area, an area in which thousands of public servants are employed, has seen a slight rise in bus patronage].

The industry will also benefit from the provision of a new convention centre. The current centre is not backed up by adequate accommodation facilities.

There is very little suitable accommodation within walking distance of the convention centre, so it is very hard for Canberra to compete with interstate convention centres for business.

The need to give the Mr Fluffy problem top priority means that other major infrastructure proposals for the city area will be stalled if the tram proposal goes ahead.

During 2014 the ACT taxi industry had more to do than simply observe the “outlook”. The realities included addressing the shrinking public transport market, a follow-up to the 2010 ACT Taxi Review, and driver training issues.

The Shrinking Public Transport Market

Public transport in Canberra is not faring well and has been in a state of decline for many years, and 2014 was just another year in that long decline. The local (government) bus service costs over \$2m per week and enjoys low patronage. Segments of the taxi market have evaporated over the years. These include the shopping mums with strollers, the groups of office girls, the elderly ladies and single tradesmen going to work or to the pub. It is not unreasonable to assume that the main reason for this is the degree of car ownership. These customers are gone and they will not be back unless they can be parted from their cars. Some have gone for good. This is not only a problem for the taxi industry, but also a problem for Canberra.

Canberra is a low-density city and although the uptake of apartment living has increased over the past few years, new suburbs are being added to the edges and residents often resist attempts at infill. This almost makes car ownership a must for every adult resident, and has resulted in badly choked roads before and after working hours.

The proposed tram system is expected to bring about high density living along its route and encourages more people to use public transport. Tweaking bus services over the years has not improved bus patronage and a massive change to its structure will be needed if it is to be seen as an alternative to the car.

The community is becoming more focused on the need to improve public transport, and although not a short-term proposition, any improvements will enhance the viability of the taxi industry.

The taxi industry needs more people to arrive at the airport and to attend conferences, but this provides work in the market sector that will always exist (depending on efforts to hold it) whereas the spinoff effect of steady improvements to the other forms of public transport will be the creation of new and permanent markets for taxis.

Follow-up to 2010 Review

In 2014, the Canberra Taxi Industry Association commissioned Prof Des Nicholls of the Research School of Management, Australian National University to evaluate the current state of the ACT Taxi Industry and the impact of the 2010 review.

Matters looked at included data quality, recent trends in demand for taxis, smartphone apps, taxi plate lease fees, taxi plate release model, and the TCCI (taxi fare) model.

The evaluation demonstrated the reliability of data regarding fleet performance extracted from Aerial's MTData dispatch system. It also showed that the total number of hirings has been trending downwards since 2011 (down 3%) and that the percentage of booked hirings has dropped 4%. This was during a time when extra licences were released and the jobs per car per day dropped by 1.7, equating to \$44.00, a significant drop [Despite the surrender of many licences through 2013 and early 2014 (see below) the number of trips per day remained about the same during 2014, until a rise in the last two months. This might indicate that the worst is over for the time being]

Regarding smartphone apps, Prof Nicholls recommended that as a matter of urgency, the ACT Government should work closely with the taxi industry to regulate their use in the ACT, particularly with regard to safety, traceability and reporting [At the time of writing it has been announced that the Chief Minister is to hold a review into this matter in the early part of 2015. Any official acceptance of Uber X would be disastrous for the local and possibly for the Australian taxi industry].

Since 2007 government owned taxis have been leased for \$20,000 per annum and the fee has been payable quarterly. At that time, privately owned licences were being leased for around \$23,400 or slightly more. The downturn in work and oversupply of licences has made it difficult for operators to pay previously accepted and reasonable lease fees and most licence owners have been forced to accept the lower fee charged by the government. Taking inflation into account, the 2007 fee now has the value of \$17,000 and many retired taxi owners are feeling the pinch. Prof Nicholls recommended the lease fee be raised to \$22,000 and increased annually by a percentage related to the CPI.

A taxi plate release model to which, because of drop in work, there has been no need to refer, was recommended in the 2010 review. Prof Nicholls recommended changes to weightings that would ensure more realistic assessments. He also recommended slight changes to the Taxi Composite Costs Index for the same reason.

Surrendered Licences, Independent Licences

Before and during 2013 government owned taxi licences were surrendered at a steady rate so that there were over thirty licences “on the shelf” by the end of the year. Between December and January 2014, a further 14 licences were surrendered, and as there was no mechanism to facilitate a re-issuing of these licences, no licences have been re-issued.

The surrender of these licences did facilitate a rise in the number of trips per car per day towards the end of 2014, but with the poor business outlook in Canberra it remains to be seen if that slight rise can be maintained.

Surrendered government owned taxi licences in Canberra represent about 17% of the potential total number of taxis, and despite the surrender of so many that at one stage were deemed necessary (by politicians) to help adequately service Canberra, service delivery has for several years been exceptional.

The CTIA believes that there is little likelihood that more taxis will be needed in Canberra for some time, but would like to see a fair and equitable release mechanism in place for a release well before the time comes.

Regarding independent licences, the requirement that a taxi must be part of a network was put aside after the 2010 review into the taxi industry to allow up to thirty established taxi operators to become independent operators. There was to be a three-year trial of the scheme.

At the end of 2014, two standard taxis and two WATs were independently operated. A third standard taxi was independent for a short period but rejoined a network.

The existence of independents has done nothing to improve service delivery or to lift standards and indeed one operator recently stated he was thinking of going independent after his taxi had been cited by Aerial staff for substandard appearance.

The CTIA believes that the three-year trial has provided no benefit to the public, but does not expect it to be declared a failure in the near future.

Driver Training

The Aerial Capital Group, under the auspices of the Transport Industries Skills Centre (TISC), has for many years conducted driver training in Canberra. In the ACT, TISC is the only Registered Training Organisation (RTO) providing taxi driver training.

The arrangement worked well for over twenty years until TISC determined that to meet the national standards set by Australian Skills Quality Authority (ASQA) Canberra taxi drivers should undergo a defensive driving course that would have cost trainee taxi drivers an extra \$350 for their training course; and to raise the driver assessment fee by about \$80.

Australia-wide enquiries revealed that in no other jurisdiction did either the regulating department, the taxi industry association or registered RTOs consider a defensive driving course was necessary to meet ASQA requirements, and none had been challenged by ASQA regarding their standards.

Believing it had the upper hand, TISC threatened to cease assessing drivers if Aerial refused to direct trainee drivers to undergo the defensive driving course. During the course of its enquiries, Aerial and the Canberra Taxi Industry Association realised that registration as an RTO was dependent on federal authorisation and determined that Aerial would pursue such authorisation and meanwhile seek temporary help from the NSW Taxi Council, itself an RTO. Mr Roy Wakelin-King and Ms Christina Klaasse of the NSWTC most graciously arranged for Aerial to liaise with Mr Andrew Nicholas of the Sydney Taxi School under whom Aerial will continue to conduct training courses until its own accreditation is obtained.

Taxi driver training and testing was suspended during December and will resume when appropriate permits have been obtained.

Hybrid Cars

The movement of Canberra's taxi fleet from LPG powered cars to hybrids was, up until 2014, quite slow, but during 2014, around 80 vehicles in a fleet of almost 300 were replaced, and the vast majority of them were hybrids.

The replacement of so many vehicles in a relatively short time has resulted in a noticeable improvement in the appearance of the fleet.

The departmental decision to shorten the permitted age of a taxi by six months has also assisted to lift the appearance.

Alas for many operators, the once popular Ford Falcon station wagon has practically passed its taxi use by date and will soon be a fond memory.

Canberra Airport

The Canberra Airport is the source of 15% of work for the local taxi industry so the health of the airport is important to the health of the taxi industry. Unfortunately the number of arrivals at the Canberra Airport has dropped for four consecutive years by around 3% each year. It has dropped 14% in four years whereas traffic at other major airports has risen by 11% over the same period.

This has of course affected taxi work, and very cheap airport parking fees have resulted in airport customers driving their cars to and from the airport, further eroding taxi takings.

The managing director of the Canberra Airport, Mr Stephen Byron, attributes the drop to federal government staff cuts, but the trouble appears to be a lack of new customers rather than the government squeeze.

The Canberra Airport, supported by the Canberra Business Chamber and encouraged by the ACT Government, is putting a good deal of effort into

attracting international flights to Canberra, but a lack of adequate convention facilities will hinder their attempts.

One bright prospect on the horizon for the Canberra Airport is the recent federal government approval for it to become the after-hours backup freight hub for Sydney airport, which is hindered by a night curfew. This promises to bring 1000 jobs to Canberra and no doubt some work for taxi drivers.

Conclusion

A pessimist would say that the Canberra taxi industry has experienced another difficult year and until there is an increase in the flow of people into and out of Canberra the future does not appear to be particularly promising. A more optimistic person would say that in 2014 the industry managed to hold on, that government cutbacks are cyclical, and provided no new (or surrendered) licences are released the slight upturn in work at the end of the year might continue and help to make 2015 a better year.

The pessimist and optimist are assuming a continuation of the status quo, but unless the ACT Government prohibits illegal so-called ride share services and is resolute in its dealings with transgressors, the ACT and subsequently the whole Australian taxi industry will be in for a very rough ride

QUEENSLAND

Introduction

Taxi Council Queensland (“TCQ”) was kept on its toes in 2014 with the advent of illegal ride-sharing services commencing on the Easter weekend. TCQ worked closely with the Department of Transport and Main Roads and the Minister for Transport and Main Roads throughout the year to address this issue. For the first six months TCQ agreed to adopt a “silent” approach, by not going to the media, to allow the Minister and the Department time to formulate and execute a strategy. Unfortunately by October it was apparent that there was unwillingness on behalf of the Government to emphatically address the issue.

From 3 November 2014 a community awareness campaign was commenced with radio and billboard advertising to ensure the public was aware of the risks associated with illegal ride-sharing. This was coupled with a comprehensive political engagement strategy that saw members galvanised into action and the Government being engaged across the state at a local level.

Outside of this particular issue, 2014 saw TCQ celebrate its 50th Annual Conference. The conference was followed up by a commemorative edition of the Queensland Taxi Magazine. The Conference was a success, running over four days with more than 250 attendees and some 30 trade exhibitions.

Strategic Plan

Throughout 2014 TCQ remained focussed on delivering outcomes guided by the four key strategic objectives. Progress on these objectives is as follows:

Strategy 1. Positioning and Image

Action Plan 1.1 Develop communication and media strategy – throughout 2014 there has been continued positive media with only a couple of stories that could be seen as being difficult for the industry however these were dealt with effectively with little (if any) long-lasting negative impacts.

Action Plan 1.2 Identify appropriate industry/stakeholder bodies to be represented on, and develop key outcomes required – TCQ continued to engage with appropriate industry/stakeholder bodies and going forward this will simply be an operational matter rather than one of strategy.

Action Plan 1.3 Develop suite of strategic events to support image and positioning – this represents a new area for TCQ and as yet there has only been time to focus on ensuring that the things that are currently done, such as the conference, are done as well as possible. Some new events, such as business breakfasts, will commence in March 2015.

Strategy 2. Further Develop Government Relationships

Action Plan 2.1 Make public the standards and good practice requirements/policies of TCQ – Over the next couple of years TCQ will be reviewing the legislation and will begin publishing Council's formal position on many policy issues.

Action Plan 2.2 Develop list of and invite key government officials to key events – This ties in with the work that has been done under the identification of key stakeholders and the stakeholder engagement.

Strategy 3. Driver Engagement

Action Plan 3.1 Develop advocacy and other relevant services to represent driver interests – Driver engagement and advocacy remains a difficult area given the diverse nature of the driver cohort and their respective needs. Positive moves were made throughout 2014 to improve relationships with other driver representative groups. This will remain an ongoing strategic imperative.

Strategy 4. Develop Alternative Income Streams

Action Plan 4.1 Identify government funds to develop new products for the taxi industry – TCQ is constantly engaging with Government to see where there may be opportunities to tap into Government funding for initiatives both within and around the industry.

Action Plan 4.2 Develop significant sponsorship income – This remains an ongoing strategic imperative for TCQ.

Policy

The major policy areas that the Department of Transport and Main Roads ("TMR") were focussed on in 2014 were as follows:

1. *Taxi Camera Security Programme* – this policy provides for the inclusion of continuous audio recording as well as increasing the number of hours retained before being overwritten from 36 hours to 72 hours. The Executive Council passed the amendments in December and will allow for a 36 month transitional period.
2. *Automated meters* – automated meters will see meters needing to be automatically reset after the vehicle has moved 150m, provide for extras to only be selected once per journey and will integrate with tolls such that as the vehicle passes through a toll point the additional value is added to the meter at the time so that the customer may see the effect of the toll. Further, receipts will now be required to be fully detailed showing each component of the fare. The Executive Council passed the amendments in December with all new meters to be fitted by 1 July 2014.
3. *Illegal ride-sharing* – TCQ worked closely with the Department of

Transport and Main Roads to address the growing issue of illegal ride-sharing. Significant compliance work was undertaken throughout December 2014 with the majority of fines being issued for operating an on-demand passenger service without a taxi service licence and driving without the appropriate Driver Authorisation (“DA”).

4. *Harper Competition Review* – TCQ responded to the draft report of the Harper Competition Review focussing on the universal service obligation that the Queensland taxi industry supplies, not dissimilar to that of Qantas (as the national airline carrier), Telstra and Australia Post.

What Can Be Expected in 2015

The 2015 Queensland State election will without doubt create a new set of challenges for TCQ. The foremost priority will be to impress on the new Government the importance of sending a clear message to operators of illegal ride-sharing services that they must comply. Simply put this is not a taxi issue as much as it is a public policy issue whereby large multinationals with enough funds can dictate terms to democratically elected Governments. Such behaviour is akin to those synonymous with organised crime.

With the current Taxi Industry Strategic Plan expiring in 2015, the Department of Transport and Main Roads will be undertaking a full review of the document. This will take some months and will cover off on issues such as the level of red-tape inherent in the industry, the ability of the fleet to meet peak demand requirements and driver supply issues. There will likely be more detailed discussions about how to effectively gauge customer feedback and incorporate this into the continuous improvement of the services.

Finally, the 2015 Annual Conference will be held in Cairns from 26 – 28 August. The theme will be “A Fare Go For All”, alluding to the fact that while competition is desirable in any market, it must occur on a level playing field where all participants are subject to the same market entry requirements.

SOUTH AUSTRALIA

Adelaide Airport

The relationship with Adelaide Airport remains strong, with the Taxi Council working together with Airport to manage the T-Tag entry to the layoff and rank for both taxi and chauffeur vehicle drivers and with the provision of Taxi Council Concierges responsible for managing the main rank and the flow of taxis from the taxi layoff.

Taxi Council will be taking up accommodation at the layoff to provide facilities for our Concierge staff and longer term, for some or all of the office staff. As a show of support and respect for the taxi industry, Adelaide Airport works closely with the Taxi Council and drivers providing first class facilities at the layoff and at the rank.

Since 2006 Adelaide Airport has contributed towards projects undertaken by the Taxi industry, without this support many of the industry projects would not have been possible.

CTP Changes

One year on from the introduction of the no-fault policy the taxi industry Compulsory Third Party premiums, which now include contributions to the Life Time Support, have increased by 13.36%. The Life Time Support fee for 2014_2015 was set at \$1,100.

This new fee is determined annually by the Minister for Health and Ageing after consultation with the Treasurer and the Lifetime Support Authority and is based on independent advice of the estimated costs of the Lifetime Support Scheme in any given year. The levy for taxis is applied as a percentage of the premium for that class of vehicle. The South Australian taxi industry will be contributing \$1.234m to the Lifetime Support Fund in the first year.

The good news is that before the Lifetime Support Fund was applied the premiums based on accident claims actually fell by 9.32%, with this possibly partly due to the result of more stringent driver testing as a pre-requisite to training.

Taxi Licenses and Licence Model

In 2013, the South Australian government released a further 22 metropolitan licences by tender, with 20 being taken up. The Taxi Council continues to maintain the Des Nicholls supply based model for the release of licences in the hope that government will agree to use it in the future. Currently there are an excess of licences in the Adelaide metropolitan market, impacting on the profitability of taxi businesses and income for drivers.

The continuing release of licences has obvious impacts on the driver pool. Recruitment and retention is made more difficult as driver income declines and longer hours are required to try to reach their income goal.

Training and Recruitment

Recruitment initiatives included the launch of a taxi driver and operator recruitment van. This “mobile billboard” has been travelling the streets of Adelaide generating driver and operator enquiries. The van has been fitted out to also carry taxi rank equipment for temporary ranks.

The Taxi Council and CBS personnel attended a week long recruitment drive at Centro Arndale Shopping Centre where the van was placed in the mall.

During the last 12 months the Taxi Council has implemented continuous improvement initiatives and validation of upgrades for:

- The Training Passport
- Knowledge of Adelaide Kit and Testing Session
- Professional Development Modules 1 and 2
- The Driver Training Accredited Course Package
- The Operator Training Accredited Course Package

In a joint project, the SA Police together with the Taxi Council developed a strategic driver safety power point presentation which has been incorporated within the Professional Development Sessions. The presentation focuses on cultural issues, aggressive and abusive passenger behaviour, violent and threatening passengers and how to manage conflict situations.

Demand for the Knowledge of Adelaide, the first pre-requisite for Taxi Driver Training, remains strong with 560 candidates successfully completing the Testing Session during this financial year. Candidate surveys indicate more than 90% of attendees were positive about the learning outcomes from these testing sessions in preparing them for the 5 day training course.

The Taxi Council RTO successfully passed the ASQA audit and gained re-registration on the 23rd December 2014.

Managed Ranks

The “new” Adelaide Oval which brought AFL into the city has had a marked effect on the Adelaide Casino taxi rank. Three managed “event” ranks were established for AFL patrons around the Oval and the Taxi Council provides Concierges to assist. Taxi Council considered that it was important to assist with the success of these taxi ranks to educate the public and taxi drivers as to the availability of taxis at the venue.

The numbers picked up at special events have declined as the Taxi Council made different arrangements for the Cruise Ships passengers and because of the shifting venues influencing our decision to attend some events. Since 2009-2010 there has been an increase of 77% in the numbers of passengers using managed ranks.

A table outlining the numbers of passengers shows a small decline in the number of passengers using the Pulteney Street managed rank but this can be attributed to the growth in the East Terrace and King William Street numbers. The numbers picked up at special events have declined as the Taxi Council made different arrangements for the Cruise Ships passengers and because of the shifting venues influencing our decision to attend some events.

Rank Patronage	2009/10	2010/11	2011/12	2012/13	2013/14
North Terrace (Casino)	65,000	84,000	88,500	88,750	92,200
HQ Night Club	57,200	50,000	60,000	58,400	54,120
Pulteney Street	19,500	42,000	49,500	45,065	39,200
Morphett Street	22,100	28,000	36,500	54,200	60,800
King William Street	N/A	N/A	N/A	6,200	15,400
East Terrace	N/A	N/A	N/A	24,750	28,200
Glenelg	18,000	27,000	36,000	42,250	46,500
Special Events	21,000	27,000	31,000	32,000	21,900
Total	202,800	258,000	301,500	351,615	358,320

A nightclub lockout was introduced in October 2013 with patrons banned from entering or re-entering premises after 3.00am. Managed rank figures indicate that the lockout has had no significant effect on taxi passenger numbers in the CBD.

Taxi Fares

Approval for the Taxi Council's application for a 3.15% fare increase based on outcomes of the Taxi Cost Index (TCI) has been deferred by government. The TCI is based on results of the previous 12 months with Taxi Operators now more than 18 months behind recovering some of the increases in costs.

WESTERN AUSTRALIA

Introduction

In contrast to the relatively stable 2013, this past year has been one of turmoil, challenge and change.

A new Minister for Transport, two regulatory reviews and a rideshare operator entering the traditional taxi market all contributed towards creating turbulence and uncertainty. With these threats to the industry came external threats that included a weakening of the West Australian economy due to a slowing resource sector and falling commodity prices, rising unemployment and a decrease in consumer confidence and spending, including demand for taxis.

2014 was also a year of achievement. Taxi service levels soared to a record high of 97.3% during periods of peak demand. That meant that only 2.7% of customers waited more than 20 minutes for a taxi during these high demand periods. 2014 was also a time to welcome colleagues, delegates, suppliers and other industry stakeholders to Perth for the hosting of the 2014 International Taxi Conference.

Taxi policy and regulatory reviews

During the year, a new Minister for Transport was sworn in to Office. The Hon. Dean Nalder, MLA, brought a new perspective to taxi politics and this created different challenges and opportunities for TCWA members.

At the same time as welcoming a new minister, the TCWA was responding to the Economic Regulatory Authority (ERA) findings and recommendations for micro economic reform of WA's taxi industry.

Shortly after this review, the RAC commissioned former Australian Competition & Consumer Commissioner, Professor Allan Fels, to undertake a regulatory review of WA's taxi industry. Professor Fels also undertook the review of Victoria's taxi industry.

Both of these Reviews, the ERA and RAC Report, created a lot of economic uncertainty for members and values of privately owned taxi licenses softened along with demand for services.

On behalf of the membership, the TCWA called on the Minister to retain regulation of Perth's taxi industry and to set a clear and sustainable policy that would provide members with economic certainty and restore confidence in the service. Although service levels were achieving record highs, demand for taxis was declining. The decline in demand was mainly in keeping with diminishing consumer spending and confidence in the WA economy but also resultant from Rideshare company, Uber X, aggressively entering Perth's taxi market

and targeting taxi passengers and drivers with their smartphone application services.

Service improvement

The TCWA took a strong leadership role throughout the year, responding to the taxi reviews and advocating policy to government on behalf of members.

In response to the adversary Uber X and regulatory reviews calling for wholesale reform and significant deregulation of Perth's taxi industry, the TCWA developed a policy of reform that instead of deregulating the industry, would maintain and heighten regulation, creating a Smarter Taxi Service for Perth. The TCWA urged the Minister for Transport to adopt the TCWA reform package "Creating Smarter Taxis for Perth" instead of the deregulatory blueprint of the ERA and/or RAC/Fels way.

"Smarter Taxis for Perth" sets out to improve the standards for Perth's taxi service – including newer vehicles, a uniform colour for all taxis, distinctive taxi uniforms for drivers and special training, new payment options and methods for catching taxis for passengers and more. "Smarter Taxis for Perth" aims to provide a smarter and safer service and encourage more people to catch taxis. Ultimately, "Smarter Taxis" seeks to encourage people to choose taxi travel as their first choice of transportation – rather than Uber X or any other transport mode or unlicensed operator.

Although Perth's taxi service recorded staggering high levels of service during the year, further improvement is needed in order to improve the image of the taxi service and thus, change public perception and restore the community's confidence and patronage of the taxi service.

2014 International Taxi Conference

The TCWA showcased Perth with the hosting of the 2014 International Taxi Conference at Crown Perth.

The conference was an outstanding success and provided delegates with the opportunity to network and view the latest in innovation, equipment, vehicles and technology that was displayed throughout the duration of the conference in the large trade exhibition. During the many conference sessions, speakers from across the country and globe imparted information and engaged with participants on all matters affecting taxis and business.

Taxi licenses

There are 2,224 taxis operating in the Perth metropolitan area and 348 taxis operating in regional WA. These fleet numbers are very similar to the previous year, with a net additional 7 taxi licences servicing the metropolitan area and a reduction of 8 taxi licenses operating in regional WA. The number of the metropolitan fleet includes licenses that were relinquished during the year and

the issue of 82 purpose built taxi licenses for the Perth trial of the TX4, London Cab.

The government continued with a policy of leasing taxi licenses to drivers. Within the total number of taxis operating in Perth, 924 are conventional taxi licenses that are privately owned. Prices for the sale of privately owned licences remained steady with an average price achieving approximately \$291,000.

Taxi fares

A modest fare increase was awarded in December. In the metropolitan area, flagfalls increased by 10 cents, rates per kilometre for standard tariffs increased by 3 cents per kilometre and detention charges increased by 90 cents per hour.

Attracting, training and registering new taxi drivers

Perth's taxi industry was again struggling to attract new drivers and retain existing and experienced drivers.

Lengthy training, registration and licensing periods created a backlog of new entrants waiting to drive taxis. Some industry members considered this lengthy entry process maybe deterring many more from entering the industry.

The TCWA approached the Department of Transport and asked for the processing of the backlog of new drivers to be expedited and a trial undertaken to fast track the training and registration processes for suitable new entrants. The aim of the fast tracking trial is to reduce the training and testing time periods and support relevant on-the-job training and experience.

One major training organisation reduced training fees in order to make taxi driver training more affordable and encourage more people to drive taxis in Perth.

Membership and Representation

The TCWA is constituted and functions as the peak body for taxis in Western Australia.

The main Taxi Dispatch Services were activity represented on the TCWA Executive Council along with representatives from taxi operators, owners and drivers, wheelchair accessible taxi services, taxi management companies, the West Australian Taxi Association and WA Country Taxi Operators Association. The Rt.Hon. Lord Mayor is also a member of the TCWA Executive Council and representatives from other Local and State Authorities and industry groups attend as required.

At the Annual General Meeting, taxi management companies indirectly increased their representation and an additional two representatives joined

the TCWA Executive. Taxi Council members may need to look at reviewing the composition and true representation in the future to ensure that it comprises broad industry stakeholder representation and has the ability to reflect the views and needs of the consumer within a regulatory environment.

Given this very broad and representative structure, the other pressing challenge for the TCWA is how to raise adequate funding and be able to levy membership fees in an equitable, affordable and sustainable manner amongst the industry members it represents. TCWA administrative costs have increased substantially and so too must its funding in order for the TCWA to be able to function effectively.

Conclusion

As we now move in to 2015, the TCWA looks forward to launching the “Smarter Taxis for Perth” campaign and working hard on improving service standards that will encourage more people to catch taxis. A major part in achieving this objective will be to actively participate in the national A.T.I.A “Grab a Cab” campaign and any other initiatives that can assist Western Australia combat the threats that ridesharing and unlawful competitors pose. The Taxi Council of Western Australia values the affiliation with the Australian Taxi Industry Association (A.T.I.A) and the benefit derived from working together on matters of national relevance and importance.

The Taxi Council of Western Australia looks forward to working with the new Minister for Transport and the Department of Transport towards maintaining a sound regulatory framework for Perth’s taxi service that can provide a sustainable service to the community and the expectation of worthwhile results to operators of taxis.

Restoring confidence and patronage in taxi services will be the key focus going forward in 2015.

NORTHERN TERRITORY

2014 began on a cautiously optimistic note, with the former Transport Minister sounding very positive during discussions with the Taxi Council. Talk of new initiatives including legislation enabling operators to buy the taxi plates they are leasing from the government, had us all looking forward to positive changes.

However, our hopes led to frustration followed by bitter disappointment, as we waited all year for something to happen, only to be presented with a Review into the Commercial Passenger Vehicle Industry, in which the key issue is the lifting of the cap on taxi numbers. The Review was released in late November, and we were given until 28 January to respond.

To make a bad situation even worse, the NT Government has been going through a period of turmoil, with two cabinet reshuffles in a matter of weeks, and the chief minister almost ousted. We now have our third transport minister in as many months. Having had a meeting with the newly appointed minister in January, we are now trying to get a meeting with the latest one.

The Review

The Review's proposals include but are not limited to the following:

- Remove the current cap on taxi numbers in Darwin and Alice Springs.
- Do not introduce any further taxi cap in regional areas.
- Set a target for the issue of new taxi and minibus licences as MPTs in consultation with industry, Government and the disabled and less mobile community, to be reviewed annually.
- Replace the current nine categories of licence with four categories: Bus, Taxi, Private Hire and Charter. This will mean minibuses will become "taxi buses" and will share ranks with taxis.
- Enhance the current industry requirements to require all new industry entrants to undertake the national training program and English assessment for taxi, taxi bus and private hire drivers. Operators will need to complete a training course on establishing a business (such as the free Department of Business training course).
- Strengthen licence retention criteria for each licence category for drivers and operators, in addition to current requirements, by requiring applicants to demonstrate a satisfactory history of compliance over the previous five years. This includes providing networks with increased regulatory powers and responsibilities.
- Strengthen legislation to allow current and future smartphone applications operating in the Northern Territory.
- Introduce a Mystery Shopper program to evaluate the quality of services provided by the industry.

- Introduce a Territory-wide CPV award program.
- Agree infrastructure priorities with industry to achieve a standard for ranks including the provision of CCTV, lighting, seating and directional tactile indicators over a period of time.
- Amend the In-Service Maintenance Standards to achieve network livery (appearance and branding) standardisation over time.
- Raise the minimum standard of security camera infrastructure on vehicles to include audio and continuous recording with improved picture quality.
- Conduct an annual education campaign regarding acceptable passenger behaviour such as “Respect your cabbie.”
- New licence categories provide a cost and budget neutral model for the reform of regulations and future development of the industry.
- Adopt a new fare setting methodology based on CPI movements.
- Investigate prepayment of fares.

Lifting the cap

Discussion will take place over the coming weeks and months on many of the recommendations, and on other issues that we have brought up in our submission, such as transferability and buying taxi plates instead of leasing them from the government. However our highest priority at the moment is convincing the government that lifting the cap will not improve service levels, but will be an unmitigated disaster – as it was in 1999. We have lodged a submission, and have attached with the submission a report by Professor Des Nicholls of the ANU, on the effect of deregulation of the Commercial Passenger Vehicle industry in the Northern Territory in 1999. The report makes it clear that there was no real improvement in service levels, and drivers and operators suffered severe financial losses.

We have also taken the government to task on their statement in the Review that an open market has worked in Singapore and New Zealand. We have provided evidence that shows clearly that it has not been working well.

MPTs

We have conditionally supported the recommendation regarding MPTs, but have pointed out to the government that operators of MPTs are doing it tough. Their vehicles are more expensive than normal sedans, and use more fuel than the hybrids that have now become popular. We have asked for the licence fee for MPTs to be reduced to a peppercorn amount. They also find it difficult to find drivers, so a generous discount on the licence fee would help them to attract drivers by giving them a better deal.

Reduction in the number of categories of Commercial Passenger Vehicles

This change will mean that minibuses (which are peculiar to the Northern Territory, and operate similarly to taxis) will be called “taxi buses” and will share ranks with taxis. We have conditionally supported this recommendation, but are insisting that they must be fitted with taximeters. Currently they do not have taximeters, and the operators set their own fares. Darwin’s biggest minibus operator is fighting against the move to share ranks and have meters fitted.

Entry requirements

We have conditionally supported the recommendations regarding training requirements, believing that new entrants should at least be given a driving assessment as a pre-requisite to enrolling in the taxi course. A practical area knowledge assessment should also be included in the course.

We believe it would be advantageous for the industry to deliver training, rather than an RTO, where the emphasis is on profit margins. We are looking at various options in this regard, including establishing our own RTO.

Licence retention criteria, and increased powers and responsibilities for networks.

We find this recommendation interesting, and have given it our conditional support, provided Government liaises with industry, and does not expect networks to take on responsibilities that should rest with Government. Networks will need government support, if they are to enforce rules.

We would certainly like to see standardisation of livery and the mandatory wearing of uniforms, but believe that this is in the realm of networks, not Government or the Taxi Council.

Smartphone applications

This is one area in which the Northern Territory regulators shine. The Territory may be too small a market for the likes of Uber to bother about, but any illegal apps that do try to get a foothold here are quickly jumped on by the regulators.

The applications referred to in the Review will be provided by approved taxi networks. We have said in our submission that app providers must be approved by the ATIA.

Mystery shopper program and a driver award program

We have supported the mystery shopper program, provided Government is prepared to fund it. It may improve the quality of service.

Likewise the driver award program.

Rank infrastructure

This has been a bone of contention for over a year, with completely inadequate ranking facilities in the CBD and the suburbs. The government has stated that it wants to liaise with industry and the City of Darwin to identify where ranks are needed. Having heard all this before, we are becoming somewhat cynical, and will believe it when we see something actually happening.

Safety and security issues

Upgrading of security cameras is something we have been pushing for, and we welcome this recommendation that cameras include audio and continuous recording with improved picture quality.

Prepayment of fares is also something that has been discussed many times with Government. We have asked that it applies at least between 10:00pm and 6:00am.

We are also asking for harsher penalties for those convicted of assaulting a taxi driver, and restitution ordered when property is damaged.

A new fare setting methodology

For years the Northern Territory has been lagging behind other jurisdictions. In spite of the fact that we have the highest cost of living, taxi fares here have been the cheapest in Australia. A fare increase on 20 January made us the second cheapest.

We have no objection to having fares linked to CPI movements, but we have said in our submission that we now need another fare increase in the interim, to enable us to catch up with other states, before fares become tied to CPI movements.

A cost and budget neutral model for reform and development of the industry

The Taxi Council of the NT does not believe that the planned reforms can be funded by licence fees alone. A number of the initiatives that are listed in the Review are the responsibility of Government. We will oppose a lift in licence fees to support industry reform, without an industry impact analysis.

Other transport providers are heavily subsidised by Government, including ferry and bus services. Why should the taxi industry be singled out?

Purchase and transferability of taxi licences

Taxi licences (plates) in the Northern Territory can only be leased from the government, and cannot be transferred. If an operator wishes to leave the

industry, the only legal option is to hand the plates back to the Motor Vehicle Registry. Only if the plates are in a company name, can the company be sold, and the new owner then becomes the operator.

This has led to illegal sub-leasing, with drivers paying excessive amounts to operators, putting themselves at risk, legally and financially.

The Taxi Council of the NT has been lobbying for legislation allowing for the purchase of licences from the government, and the transferability of licences – whether they are owned or leased - to another operator. This issue has been included in our submission to the Review.

The absence of both of these capabilities are further contributing factors that make the Northern Territory the basket case of the Australian taxi industry.

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