



# **ANNUAL REPORT**

## **2016**



## **VISION**

To be the unified voice of the taxi industry in Queensland, with the necessary direction, resources and political and community profile to lead the industry proactively on issues of strategic importance to Taxi Council Queensland.

## **MISSION**

Taxi Council Queensland exists to expand the total market for taxi services by:

- securing a beneficial legislative framework;
- building a positive community profile and awareness of the taxi industry; and
- improving the responsiveness of the industry to market demands and changes for the well-being of all taxi industry participants in Queensland.

## **VALUES**

### **PROFESSIONALISM**

To act in a manner that enhances the reputation of the taxi industry in Queensland at all times.

### **INTEGRITY**

To honestly and consistently act in the best interest of taxi patrons and providers.

### **PROACTIVITY**

To provide leadership to members on strategic issues impacting across the taxi industry in Queensland.

### **ACCOUNTABILITY**

To be accountable to members on the performance of the Council and its officers against agreed benchmarks.

### **TEAM WORK**

To work co-operatively in the interest of the taxi industry in Queensland while encouraging mutual concern and respect for each other.

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## 2016 ANNUAL GENERAL MEETING AGENDA

**Date:** Tuesday 16 August 2016  
**Commencing:** 9.00 am  
**Chair:** M McBride  
**Minutes:** N Cho  
**Attendees:** Refer to attendees list  
**Observers:**  
**Apologies:**

Number	Item	Action
1	<b>Confirmation of the minutes of the last AGM</b>	Resolution Required
2	<b>Adoption of the Annual Report</b>	Resolution Required
3	<b>Confirmation of the Councillors and President</b>	
03A	President – Max McBride Councillors – <ul style="list-style-type: none"> <li>• Far North Queensland - Layne Gardiner</li> <li>• North Queensland - Angela Rheeders</li> <li>• Central Queensland - Max McBride</li> <li>• Capricornia - Donna-Maree Donoghue</li> <li>• Wide Bay - Allan Bond</li> <li>• Sunshine Coast – Clark Chappel</li> <li>• South West Queensland - Noel Spain</li> <li>• Gold Coast - Kristina McKinnon, Sacha Moore, Gordana Blazevic</li> <li>• Metropolitan - Bill Parker, Wolf Vogel, Gary Walter, David Hughes, Les Dench, John Lobwein, Kathy Boorman, Ronnie Woods, Allan Hughes, Gerry DiLucchio</li> </ul>	
03B	Election of Vice Presidents and Board	
4	<b>Appointment of the Auditor</b>	
	J O'Connor Pty Ltd	Resolution Required
5	<b>Consideration of Notices of Motion</b>	
6	<b>General Business</b>	

**Next Meeting: To be held in 2017**

**Location: TBA**

**Signed as true and correct:**

\_\_\_\_\_  
**M McBride**  
**President**

\_\_\_\_\_  
**Date**

## President's Report – Max McBride



The past 12 months saw Taxi Council Queensland (“TCQ”) focusing all our energy and resources addressing the review of personalised transportation services conducted by Jim Varghese for the State Government. TCQ has taken the Varghese Inquiry (“the Inquiry”) seriously, with the Queensland Taxi Industry rightfully expecting the Inquiry to be independent, comprehensive and evidence based. Given the experience of the woefully inept Fels’ and Sturgess’ Inquiries conducted in Victoria and NSW respectively, the Queensland Taxi Industry has sought to provide every assistance to the Varghese Inquiry including the provision of detailed, verifiable source data, contact with regulators from international jurisdictions who are able to inform the Inquiry with detailed experiences of ride share and a vast array of submissions from companies, operators and drivers, most of which has been based on verifiable data.

In addition to this, TCQ has conducted the most detailed, evidenced based review ever undertaken into the taxi industry. Nowhere in the world has such a review ever been conducted; simply because no other jurisdiction has amassed such detailed, verifiable data concerning every operational aspect of their taxi industry. To conduct this review, TCQ engaged reputable economic analysis firm, RPS Group. The independent final report produced by RPS irrefutably demonstrates that the Queensland Taxi Industry is world leading in terms of the regulatory framework, customer service outcomes, service to mobility impaired customers and the adoption of new technology. Be it the take up of low emission vehicles or the adoption of the latest communication advances or the creation of innovative new products to better meet the needs of Queenslanders than any equivalent taxi industry anywhere in the world.

It should be lost on no one, especially Varghese and our state politicians that the Queensland Taxi Industry is unique in the world, having well defined universal service obligations, mandated by service contracts and delivered by strong, well managed dispatch companies. Only in Queensland is there a strong focus on customer outcomes, with the dispatch companies taking responsibility for all of the customer experience. Nowhere else in the world does this occur. It is therefore not difficult to conclude that Queensland stands apart from the rest of the world in terms of service delivery as a result of the existence of service contracts, universal service obligations and dispatch companies, all of which have fostered the emergence of a strong service culture that produces tangible benefits for the community.

The quality of taxi services in Queensland has once again been borne out the State Government’s own state wide mystery shopper survey, which clearly demonstrates the high level of customer satisfaction Queenslanders have with Queensland taxi services. So why it is that Varghese is seemingly mesmerised by the likes of a company like uber? A company which actively seeks to circumvent Queensland and Australian law to derive unfair market advantages, attempts to avoid paying tax or GST (as witnessed by their challenge of the ATO ruling that their drivers have to pay GST), meets no universal service obligation and knowingly misleads the community in terms of competing products, training and security checks of its drivers and the delivery of services to all market segments. In my view Varghese has been duped into believing that the so-called “ride share phenomena” represents a new paradigm in the business world. In reality ride share is just another fad, as were the dot com boom and the GFC to name a few, and is likely to end, with the fallout hurting many, but only benefiting a few.

Another often cited reason for supporting the legalisation of ride share is “jobs”. The reality is that uber worldwide has a reported churn rate of 600% per year, or in other words drivers drive for uber on average for only two (2) months. The reality is that uber takes jobs from the taxi industry and converts those jobs into extremely low paying jobs, with uber pocketing up to 30% of every fare.

There is no opportunity for upward mobility for Queenslanders in the uber model. The taxi industry in Queensland has an endless number of examples where drivers have entered the industry, worked hard, bought a licence, with many going on to sit on the Boards or even managing taxi companies. The taxi industry is not the “uber show” where uber derive most of the profit and there being no opportunity for growth and economic improvement for drivers.

The fact is around the world the uber model is failing, their departure from China after losing billions of dollars, their failure to make inroads throughout most of Europe, the unprecedented amount of litigation underway in the USA against uber on a wide range of fronts, the increasing dissatisfaction of driver as a result of very poor returns and the increasing difficulties the company is having raising capital on financial markets (not only the life blood of its worldwide expansion but fundamental to its very viability) are testament to failure of the uber model.

While the Varghese Inquiry and some state governments are looking to the USA as a way forward in respect to future taxi and ride share regulation, the New York Taxi and Limousine Commission is closely examining Queensland’s regulatory model after meeting with TCQ in February/March this year and receiving the RPS review of Queensland Taxi Industry. In every jurisdiction TCQ visited worldwide taxi/ride share regulators were astounded at the quality of Queensland taxi regulation, the service outcomes achieved and the fact that under such a framework the industry achieves these results with minimal intervention by government. It is ironic that the Queensland government is now considering changes to taxi regulation which will move the industry toward the failed deregulated USA taxi/ride share model, while New York regulators believe Queensland taxi services to be at least 20 years ahead of anything in the USA and consider that many of the regulatory and service innovations have real application in New York.

Regardless of the Varghese Inquiry recommendations to government, said to be contained in the recently released White Paper, this matter will ultimately be decided in the first instance by the Queensland Government and ultimately by the Queensland Parliament. Varghese is only the first chapter in a multi chapter play which may only be decided after the next state election. With this in mind, industry participants need to become more politically active and more determined to meet this challenge head on. TCQ has spent the last two (2) years encouraging and supporting the industry to engage with their parliamentary representatives and we are now very well placed to lift the bar higher. The Queensland Taxi Industry is very united, highly motivated, has right on our side and has a fighting spirit reminiscent of Australian fighting men and women. Neither the Queensland Taxi Industry nor TCQ will roll over in this fight.

The Queensland Taxi Industry has built the best taxi service in the world over the past 25 years, and if Varghese does his job properly this will be borne out in his final report. As a result it is incumbent on our politicians to make decisions that are well considered, build on the advances made over the past 25 years and create a business environment that is based on a consistent and level playing field. What uber want is to ensure that taxis continue to be heavily regulated, with all the cost associated with delivering high quality universal service, while they operate with impunity, no standards, no quality control, no responsibility for anything that goes wrong with their service and no commitment to the Queensland community. uber want to compete in the profitable sections of the market and to leave marginal services to the taxi industry. It is time our politicians made decisions for Queensland, Queenslanders and Queensland business and not dance to the beat of a drum played by a company that delivers nothing but benefits for itself.

## CEO's Report – Benjamin Wash CPA



As I write this report I can honestly say that there was no way anyone could predict how different my role would be today to what it was when I started in January 2012. Indeed, one could reasonably argue that the position description has changed several times in the last two years with the latest iteration being driven by the announcement of the Varghese Review in October 2015.

While there had been a great deal of planning and strategy prior to this review, including a Member's Kit being released in the lead up to the election earlier in the year, it is safe to say that activities went into overdrive upon the announcement of the Varghese Review. Initially a plan was put to Members at a Special General Meeting held at East's Leagues Club on Wednesday 11 November 2015. At this meeting the following fully costed strategy was unanimously adopted by the Members:

### **Forward Plan – 2016 to 2018**

<u>2016</u>	
Public Awareness Campaign (PR & Advertising)	\$500K
Development of submission to the Varghese Review (RPS Group)	\$350K
Social Media (Curious Minds)	\$250K
Government Relations Advisory (Rowland)	\$150K
Legal (Ongoing)	\$150K
<i>Proposed Spend</i>	<i>\$1,400K</i>
<u>2017</u>	
Public Awareness Campaign (PR & Advertising)	\$500K
Social Media (Curious Minds)	\$250K
Government Relations Advisory (Rowland)	\$250K
Legal (Ongoing)	\$150K
<i>Proposed Spend</i>	<i>\$1,150K</i>
<u>2018</u>	
Public Awareness Campaign (PR & Advertising)	\$500K
Social Media (Curious Minds)	\$250K
Government Relations Advisory (Rowland)	\$150K
Legal (Ongoing)	\$150K
<i>Proposed Spend</i>	<i>\$1,050K</i>

The following is a summary of activities undertaken under each of the strategy headings for 2016:

#### *Public Awareness Campaign (PR & Advertising)*

From December 2015 to March 2016 there was a significant advertising campaign comprising radio, billboards, taxi backs and social media boosts. The goal was to maintain a public presence of the issues surrounding illegal taxis to ensure that they were not simply moved to the “back burner”. At the time there was a great deal of scrutiny on the *Transport Legislation (Taxi Services) Amendment Bill 2015* introduced by Katter’s Australian Party as well as the Varghese Review.

There is little doubt that this constant reminder in the public space was a key part of the successful passage of that Bill through the Parliament, ultimately being passed with bipartisan support. The Queensland Taxi Industry should be heartened that, irrespective of what may be reported by the media, this Bill indicated a great deal of respect for the services provided in the industry and the importance of the same.

Of the proposed \$500K spend for the 2016 calendar year, by 30 June 2016 just over \$330K had been spent. There has been no ongoing radio advertising as a result of cash flow constraints associated with having spent down reserves and awaiting replenishment from the funds to be raised.

#### *Development of submission to the Varghese Review (RPS Group)*

Arguably the most important element of Illegal Taxis Campaign was TCQ’s submission to the Varghese Review. This document represents the “bible” of the Queensland Taxi Industry past, present and future. It is a comprehensive analysis of all key elements of the industry and sets the foundation for all future policy work in this area on behalf of the industry. The submission is made up of a suite of seven (7) documents totalling more than 600 pages of evidence-based research:

1. Submission With Recommendations
2. Position Paper
3. Demand For Taxi Services In Queensland
4. Supply Of Taxi Services In Queensland
5. Innovation In The Queensland Taxi Industry
6. Pricing, Payments And Licences In The Queensland Taxi Industry
7. Economic Analysis Of The Queensland Taxi Industry

The submission arguably represents the most comprehensive body of work undertaken anywhere in the world in the past half century and I am proud to provide this legacy for future generations of Queensland Taxi Industry participants and policy makers in this space.

Of the proposed \$350K spend for the 2016 calendar year, by 30 June 2016 just over \$400K had been spent. The difference to budget was largely by an unbudgeted international research trip at a cost of just under \$40K. Some of these costs relate to the CEO of the Australian Taxi Industry Association (“ATIA”), Mr Blair Davies, accompanying TCQ & RPS and these may yet be recoverable from the ATIA. There is no further expenditure expected with respect to the submission beyond 30 June 2016.

#### *Social Media*

Curious Minds were engaged in January 2016 as social media experts to undertake an environmental scan of the social media space as it related to illegal taxis both here in Queensland and the world more broadly. Their expertise has been gained through online activism in the social media space for



corporations such as Adani, one of the largest coal mining companies in the world. Further to their work in the online space Stephen Thirgood, Managing Partner of Curious Minds, has been conducting training workshops around Queensland for Members to empower them with the tools necessary to become “social media warriors”.

Of the proposed \$250K spend for the 2016 calendar year, by 30 June 2016 just over \$120K had been spent.

#### *Government Relations Advisory (Rowland)*

Behind the scenes there has been a great deal of work undertaken in continually engaging with MPs, their advisors and bureaucrats working in this policy space. All of these efforts require careful planning and execution to ensure that the opportunity for “mixed messages” is minimised. Rowland have been working closely with TCQ to co-ordinate meetings with the key decision makers and will continue to do so as the issues associated with illegal taxis and the Varghese Review matures.

Of the proposed \$150K spend for the 2016 calendar year, by 30 June 2016 just over \$85K had been spent.

#### *Legal (Ongoing)*

TCQ commenced a comprehensive legal strategy in August 2014 to ascertain what the realistic prospects of pursuing a course of legal action would be with respect to wholesale illegal taxi operations in Queensland. Working with O'Donnell Legal, vast quantities of evidence were gathered including, but not limited to:

1. direct evidence with respect to “uber’s” operations in Queensland
2. thousands of documents obtained through FOI/RTI searches around Australia regarding the “uber” phenomenon
3. secondary evidence about “uber’s” activities around the world and various legislative and other responses to those activities

During this period, numerous advices were obtained from Council with respect to “uber”, its operations and how to counter some or all of its activities in Queensland. This this end:

1. David Russell QC has provided two advices
2. David Russell QC and Guy Hampson of Counsel have provided a joint opinion
3. Guy Hampson of Junior Counsel has supplied an advice
4. Nick Ferrett of Junior Counsel has provided an advice
5. Michael Copley QC has provided an advice

Of the proposed \$150K spend for the 2016 calendar year, by 30 June 2016 just over \$150K had been spent. Unlike many other strategies, legal spend tends to be less consistent on a monthly basis.

#### *Forward timelines*

The 2017 financial year will see a continuation of the work regarding illegal taxis, building on the efforts to date. By the time of the AGM the Varghese Review will have released the White Paper outlining the recommendations for the Queensland Government. While it is anticipated that the Government will respond before Christmas 2016, it is very difficult to say for certain given the current political climate. The Government may not have an appetite to move quickly on anything that could be seen as contentious, especially given the outcome of the recent federal election.

## Regional Reports

### ***Far North Queensland – Bob Roberts***

After several years in decline, demand for taxi services strengthened progressively throughout the year as compared to the previous corresponding period. More flights into Cairns Airport, both domestic and international, have clearly boosted regional tourism activity. Demand from local customers has also been quite solid and steadily improving.

New taxi security cameras have been installed in all fleet vehicles. While the government legislation allows for the installation of the new cameras to be phased in, Cairns Taxis Limited (CTL) determined that it would be preferable for all vehicles in the fleet to be similarly equipped and for the benefits from the new technology to be uniformly available. To facilitate immediate installation and to reduce the financial burden on Operators, it was considered appropriate for the company to purchase, install and maintain the cameras as with all other in-car taxi equipment.

We have recently added to our customer service package the ability for customers to pay for their fare by credit card via the booking app. As this is an entirely new payment system and quite different to existing systems, it required development of a short training course which every driver was required to complete.

Considerable effort was devoted throughout the year reviewing systems and procedures aimed at ensuring the best possible customer experience. Particularly given the likelihood of increased competition, this will be ongoing and is a key component of our strategy for maintaining market share and satisfactory driver and operator incomes.

### ***Capricornia – Donna-Maree Donoghue***

Our region comprises of cruisy coastal communities, bush towns, gemfields and an historic yet modern city that is reigned over by the mighty Fitzroy River.

The Capricornia region has seen a significant downturn in the local economy that has not only affected our industry but all others with many long standing businesses closing their doors.

But on a more positive note, the Federal Government’s fifteen year “Australian Infrastructure Plan 2016” list the Lower Fitzroy ‘River water infrastructure development as a growth opportunity to develop industry and agriculture in the Fitzroy region. This is the only project in this category for the whole of Northern Australia.

The major dispatch areas are Gladstone and Rockhampton with Gladstone with Yeppoon on the Coast a number of smaller service areas in out west including Emerald.

Capricorn Cabs has recently become a part of the Yellow Cabs family and are now known as Yeppoon Yellow Cabs, we in Rocky are very excited about this and are looking forward to working together as a team.

All our Taxi Service areas have been lucky up to this point in time not to have been exposed to illegal ridesharing companies, although the impact it is having on other regions has had a significant effect on our licence sales with no movement for some time but in saying this we are still finding it easy to lease a licence.

We do get a few uber copy cats from time to time but with the support of our local Translink Office and the Police Department they do not last long.

Rocky Yellow Cabs was deemed to be the top regional Cab Company in the recent secret shopper

survey's which is an excellent achievement.

### ***Sunshine Coast – Clark Chappel***

I am delighted to be representing the Sunshine Coast again as a TCQ Councillor following the departure of John Lobwein to Black & White Cabs Brisbane in January 2016.

It's been eight years since I was on the Council and 13 years a director of SCC.

Ride-share attempted a push onto the Sunny Coast in late 2015 with little initial penetration.

And who deserves the credit for the push back, our Drivers of course, the unsung heroes of our industry. Sunshine Coast Cabs drivers were given a choice, illegal ride-share or legal taxi, but not both. To their credit they stuck with the good-guys!

As time moves on their attack on our peak weekend market grows.

The area has struggled to regain the heady days of "tourism icon" when 18 inbound jets dropped chilly southerners on our warm sandy beaches. Half that number of planes land these days however our blue-green Council is finally pushing on with the re-development of the Airport to full international standard with a new longer & wider air strip allowing more international heavy aircraft.

The largest hospital construction in Australia, (according to the Government press releases) nears completion in geographically central Sunshine Coast at Kawana. Twelve high-lift cranes dominated the skyline at the peak of construction; Sir Joh would have been delighted.

450 beds in stage one moving to 738 sometime in the future, it is a site to see. A University linked training hospital hence a great attractor for young students at the expanding Sunshine Coast University.

We all know how hospitals and taxis make the meter tick over, hopefully opening a little off-schedule in April 2017.

The wrong OPT outcome could be devastating for the Sunshine Coast and I told Mr. Varghese exactly that face to face on June 17, 2016, I pray that we can retain our small (110 cabs) but vibrant community focused and highly praised (according to the secret shopper) taxi service.

Look forward to writing to you in 2017, I hope?

### ***Metropolitan – John Lobwein***

#### Increase in Automated Bookings

Over the past twelve months we have seen continued growth in the automated booking market. The flexibility, ease of use and low cost of automated systems make them the beneficial to both the passenger and the taxi booking companies.

One of the great benefits for the Brisbane Call Centres is that automated bookings allow staff to spend more time on corporate, community, disabled and special needs bookings.

#### Nightlink Ranks

The Nightlink Rank program continues to perform successfully. Secure taxi ranks operate on Friday and Saturday nights and for special events. In the last year, we saw more than 400,000 cabs move about 1 million passengers from the secure ranks.

#### Demand for Taxi Services

There has been a softening of demand for taxis in the last 12 months which can be linked to a downturn in consumer spending, illegal taxis and a general downward trend in driver numbers.

## Service Levels

Minimum service levels for both conventional and wheelchair accessible taxis in the Brisbane metropolitan area continue to improve and meet guidelines. The 2015 Mystery Shopper revealed the reality behind public perceptions with an overall approval rating for Brisbane taxis being at 80%. Considering the campaign against traditional taxis, this figure shows that the service is far from broken.

### ***South West Queensland – Noel Spain***

This year started out with much promise, including the approval and commencement of the second Toowoomba Range Crossing and the new inland rail system project. These two projects are guaranteed to bring jobs and an economic boost to the region over the next couple of years.

The opening of the new Wellcamp Airport last year has seen the airport expand to now include flights almost daily to Sydney, Melbourne, Roma and Cairns. Late last year also saw the first international freight plane land, load and leave for China full of produce from the Darling Downs and later this year a passenger plane will leave headed for China to arrange for future business growth for this area. We have already seen taxis benefiting from the close proximity of the airport to Toowoomba with job numbers growing each month.

As always, the Festival season provides a boost for the regional towns with cabs benefiting directly from the increase in visitors and general activity. The Apple & Grape Festival and the Snow Flakes in July in Stanthorpe, and the Warwick Jumpers and Jazz are just some of these events along with Farmfest, the Ag Show and The Surat Basin Mining Expo also helping increase industry numbers.

With the uncertainty in the industry, the review has dominated much of our political activity during 2016. Taxi sales have all but stopped and driver availability is low at present. With illegal taxis moving to Toowoomba in May, the local industry has taken a further blow. On the other hand, the City Council Maxi Shuttle Run around the City Centre has continued to perform whilst the redevelopment of the City Centre continues and this service should run for at least the rest of 2016.

We look forward to the Government continuing to support the Queensland Taxi Industry, a world class industry that has been the backbone of the passenger transport industry in Queensland.

