

# 2017 VICTORIAN TAXI INDUSTRY DAY

10.00am Registration & Morning Tea - sponsored by MTI

10.30am Morning session

Taxi Services Commission  
Australian Tax Office  
State Revenue Office

12.50pm Lunch - sponsored by QOATC & TOA

1.30pm Post-lunch session

Logie-Smith Lanyon Lawyers – legal options and the new Act  
Driving to Health: Supporting drivers' mental health, Melbourne University  
Melbourne Airport

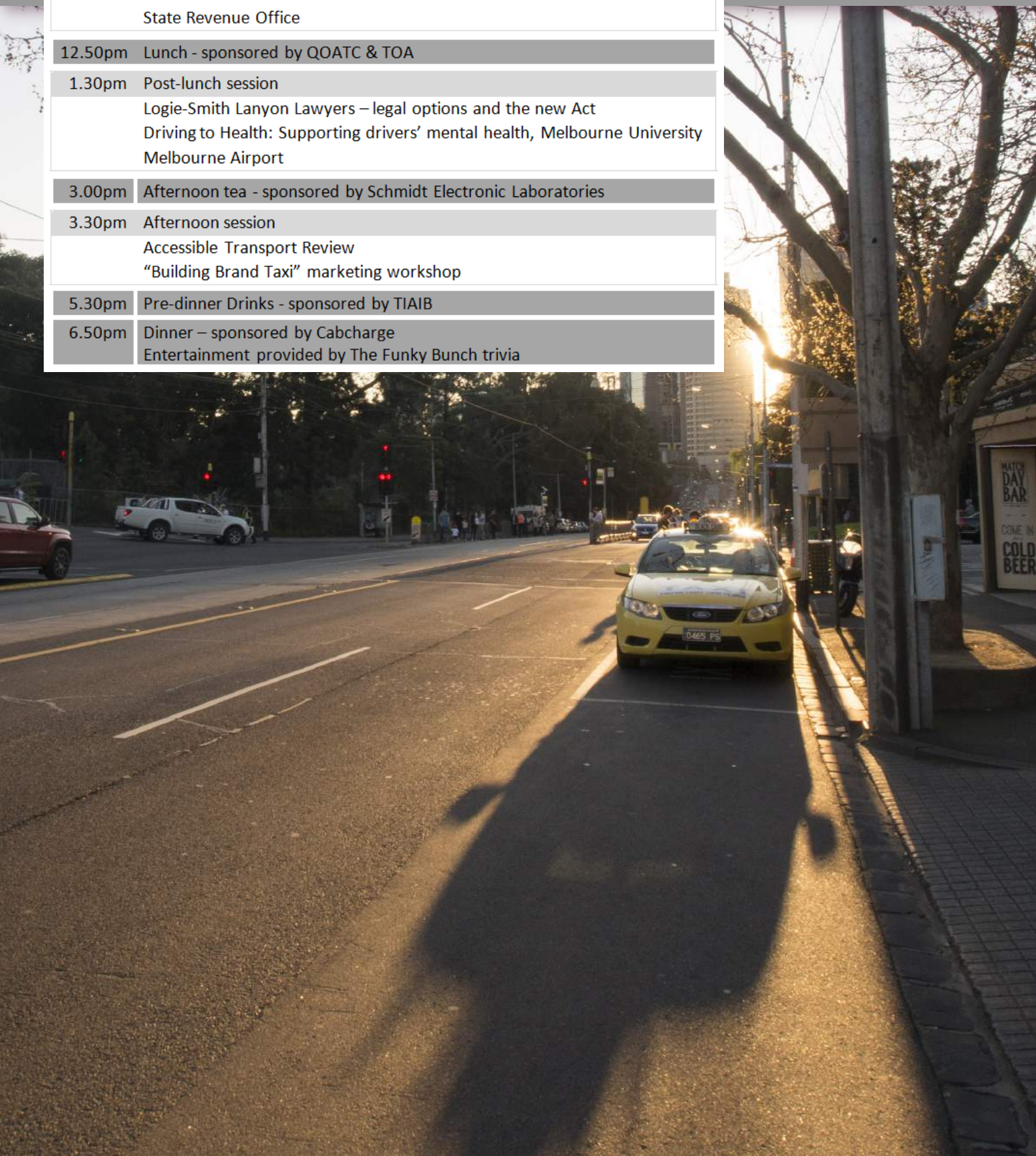
3.00pm Afternoon tea - sponsored by Schmidt Electronic Laboratories

3.30pm Afternoon session

Accessible Transport Review  
"Building Brand Taxi" marketing workshop

5.30pm Pre-dinner Drinks - sponsored by TIAIB

6.50pm Dinner – sponsored by Cabcharge  
Entertainment provided by The Funky Bunch trivia



The sponsorship of taxi industry events by suppliers allows us to deliver a high quality event whilst keeping registration costs low for attendees.

Our sincere thanks to sponsors of the 2017 Victorian Taxi Industry Day: Cabcharge, The Owners Association & QOA Taxi Cover, TIAIB, Schmidt Electronic Laboratories and MTI. It is a testament to their commitment to the taxi industry in Australia that they continue to stand with us through testing times.



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## LESS THAN HALF WAY THERE

Many of you are wondering: "what happened to the level playing field?". There is still much to resolve before we can be confident of a fair fight.

*Georgia Nicholls*

I'm keenly aware of the toll that the ongoing uncertainty, momentous change and financial impact of government reform is having on Victorian taxi industry participants.

Taxation and Centrelink implications, implementation timelines and future licensing costs and conditions all remain a mystery to date.

There is also still a great deal about the Government's reform agenda which is yet to come. The Commercial Passenger Vehicle Industry Act 2017 effects the changes to licensing and establishes the basis for the trip levy, but the industry continues to wait for news on the second tranche of legislation which will consider changes vital for realising the 'level playing field'.

If nothing else, the realisation of the first element of the

Government's legislative agenda serves to underscore the message that no longer can we look to Government for leadership and guidance in the delivery of our services. It is customers that are our new regulators.

We have an opportunity to be our own disruptors. Whilst being mindful of our social responsibilities, we need to think as businesses about how we can ensure passenger safety, offer our customers service certainty and protect drivers; no longer should these mechanisms be determined by those that have failed to protect the integrity of taxi regulation.

Can't we fight it? We know the changes to licensing are causing great distress for many in the industry, including the VTA's members. Over the past months there has been a great deal of talk

about legal challenges or other courses of legal action. The VTA will continue to engage with colleagues in the industry and lawyers to determine whether any of the proposed courses of action are viable. However based on advice received to date and at the time of the Fels Inquiry it is our current view that there are no meaningful legal options to stop, delay or force alteration to the reforms as they stand. VTA counsel, Logie-Smith Lanyon will be here today to provide more information.

I hope today's event provides some useful information for those in attendance and sheds light on the many issues which keeps the taxi industry awake at night.



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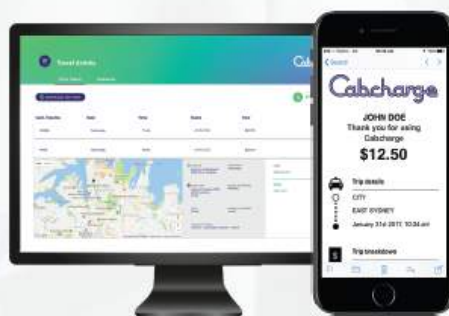


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## A MESSAGE FROM THE MINISTER FOR PUBLIC TRANSPORT, JACINTA ALLAN

It was over a year ago, in August 2016, that the Victorian Government announced our reforms to the Commercial Passenger Vehicle industry. It has been a very busy year since and I acknowledge the difficulties and challenges that many in the taxi industry have faced during this time. Ultimately I believe that the reforms will encourage a thriving taxi industry in Victoria. The Victorian Taxi Association (VTA) has played an extremely important and constructive role over the last year in representing the views of the taxi industry to Government, Members of Parliament, the media and the broader public through this reform process. After two parliamentary inquiries and

several long debates, the first stage of the Government's legislative reforms passed through parliament in August this year. This legislation not only regulated ridesharing but also provided for over half a billion dollars in financial assistance to the existing industry. That money is now flowing, with transitional financial assistance payments now being made to licence holders, while Fairness Fund payments, which started in July, are continuing to be paid as they are approved by the Chair of the Fund. The second stage of the legislation is due in Parliament in the second half of this year. This legislation will deliver on the request of the VTA to allow taxi operators to compete on a

level playing field with the market new entrants. The \$1 levy will not commence until after the second stage of the legislation has passed and the Government has agreed to implement a range of measures to ensure that the levy is geographically equitable and does not disadvantage regional operators and their passengers. On behalf of the Government I thank Georgia Nicholls and her team at the VTA for all the hard work they do and the sound advice they provide. I look forward to continuing to work closely through the rest of the reform process to ensure a bright future for the taxi industry in Victoria.





The Owners Association has been providing Greater Melbourne Taxi operators with Motor Vehicle Accident Indemnity since 1978. We have ensured a trustworthy and reliable service to protect our members. We have now partnered with QOATC to provide the same level of service to regional and country operators.

QOATC covers over 5000 taxis and limousines across Australia. The directors of QOATC have a combined involvement in the Taxi industry in excess of 60 years

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# STATE REVENUE OFFICE TO ADMINISTER LEVY

The State Revenue Office (SRO) will administer the Victorian Government's commercial passenger vehicle service levy of \$1 per trip. The levy applies to trips provided by taxis, hire cars and ride share services.

If a trip is booked through an app or over the phone, the company taking the booking must pay the levy. If a trip begins at a taxi rank, or if a taxi is hailed by a passenger, the driver or the driver's employer must pay the levy.

Liable businesses must use a simple online portal to:

- Register with the SRO
- Lodge quarterly returns, including the number of trips for which they are liable to pay

Webinars and videos will help you become familiar with the registration and lodgement processes.

The portal will be launched on the SRO's website on 1 January 2018.

For more information, including answers to frequently asked questions, visit [sro.vic.gov.au/triplevy](http://sro.vic.gov.au/triplevy).



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## BUILDING BRAND TAXI!

With the arrival of Uber the Taxi brand has taken a beating! The worst part is that so much of the argument is based on outdated or false information. It's time to get a powerful message back across to the public about the many benefits of Taxis over Uber. After all it's a compelling argument; it just needs to be stated. The best news is this is something that everyone in the industry can do. Don't miss this session run by Ailsa Page from AP Marketing Works who will show you how you go about rebuilding the Taxi Brand through not just your words but your actions. It promises to be fun and interactive – there are even prizes! Head off to pre-dinner drinks feeling inspired and clear on simple things you can do to right now to Build BRAND TAXI. It's time to get on the front foot and beat Uber at their promotion game. So get ready...it's time to BUILD BRAND TAXI.



# TAXI

## SERVICES COMMISSION

### What's changing?

The Victorian Government's Commercial Passenger Vehicle Industry Bill 2017 has now passed through parliament. Key industry reforms will be implemented in stages over the coming months. Industry reforms include:

- Transition Assistance
- Introducing Booking Service Providers
- Taxi and hire car licence changes
- Low cost licences
- Industry trip levy

The new legislation will deliver more choice and safer services for passengers. It will help meet the needs of Victoria's growing population and adapt to the challenges of changing technology.

Reforming the taxi and hire car industry, including rideshare, will see reform program changes gradually phased in over time. This allows licence holders to receive financial assistance before any changes to licences are made. The existing industry will then be automatically transitioned to new licence arrangements.

When licence transition is complete, new vehicle licences will be made available for purchase. Existing taxi and hire car services can continue to operate while industry reforms gradually take place.

#### Taxis

- Existing drivers – no change.
- New drivers require accreditation.
- Preserving rank and hail work.
- Simplifying licence classifications.
- Existing taxi licences will be transitioned to new licence arrangements.
- New low cost vehicle licences will be available.



#### Hire cars including rideshare

- Abolishing zones for hire cars.
- Simplifying hire car licence classifications.
- Classifying rideshare vehicles as a hire cars, not permitted to do rank and hail work.
- Rideshare vehicles not accredited for accessible services under the Multi Purpose Taxi Program.
- Existing hire car licences will be transitioned to new licence arrangements.
- Not permitted to do rank and hail work.



#### Booking Service Providers

- Network Service Providers become Booking Service Providers.
- Hire car booking businesses (including rideshare) must be accredited as Booking Service Providers.
- The Taxi Services Commission will *initially* focus on accrediting high volume booking providers. Smaller booking service providers need to be accredited in the future.
- Operators managing their own bookings do *not* need to be accredited.



## Transition Assistance: For the industry

The new legislation delivers various support packages for eligible taxi and hire car licence holders.

Transition Assistance payments will be made as part of the package. Transition Assistance is automatically calculated and paid to eligible licence holders as part of the government's \$494 million assistance package. Transition Assistance is calculated based on the number and type of licences owned.

To receive Transition Assistance, licence owners must have owned eligible licences on 15 August 2016 and retained their licence ownership throughout the eligibility period, which ended on 14 July 2017.

### Transition Assistance examples:



#### Case 1: George

George has *four metropolitan taxi licences* which he owned on 15 August 2016 and still owns today.

George is entitled to receive \$100,000 for his first licence, \$50,000 for the second, \$50,000 for the third, and \$50,000 for the fourth.

George will receive \$250,000 in Transition Assistance.

GEORGE WILL RECEIVE

**\$250,000**



#### Case 2: Rosa

Rosa owns a *regional Wheelchair Accessible Taxi licence* and a *country Wheelchair Accessible Taxi licence*. She held these licences on 15 August 2016 and still holds them today.

Rosa is entitled to a payment of \$50,000 for her *regional Wheelchair Accessible Taxi licence* and \$7,500 for her *country Wheelchair Accessible Taxi licence*.

Rosa will receive \$57,500 in Transition Assistance.

ROSA WILL RECEIVE

**\$57,500**



#### Case 3: Sanjeet

Sanjeet has one *metropolitan taxi licence* and one *regional taxi licence*. The regional taxi licence has been held for over five years and is eligible for a Transition Assistance payment.

He purchased the *metropolitan taxi licence* in December 2016. It's outside the eligibility period for Transition Assistance. Sanjeet will receive a \$50,000 payment for his *regional taxi licence only*.

Sanjeet will receive \$50,000 in Transition Assistance.

SANJEET WILL RECEIVE

**\$50,000**

### Taxi licence scenarios for licence holders

If you own and operate a perpetual or fixed term taxi licence, the following will apply to you:

- Transition Assistance payments will be made to eligible licence holders.
- Your licence will be revoked.
- You will be issued with a new equivalent annual taxi licence.
- Your current vehicle details will be automatically attached to your new licence.
- You will not be charged for this taxi licence change.
- You will receive a letter and new licence certificate in the mail.
- You can continue to operate your business as usual.

If you own a perpetual taxi licence and assign it to an operator, the following will apply to you:

- Transition Assistance payments will be made to eligible licence holders.
- Your licence will be revoked and your assignment agreement will cease.
- Your assignee will be issued with a new equivalent annual taxi licence.
- Your assignee's current vehicle details will be automatically attached to their new licence.
- You will receive a letter in the mail.
- You will no longer be a licence holder; however if you wish to operate a taxi or hire car, you will be able to apply for a low cost licence when they become available for purchase.

If you own a perpetual taxi licence that is not assigned and is currently non-operational, the following will apply to you:

- Transition Assistance payments will be made to eligible licence holders.
- Your current licence will be revoked.
- You will be issued with a new equivalent non-operational annual taxi licence.
- You will receive a letter and new licence certificate in the mail.
- You will need to contact the TSC if you want to start operating your licence.

### **Taxi licence scenario for operators**

If you are an operator with a current assignment agreement with a licence holder, the following will apply to you:

- The licence you are currently operating will be revoked and your assignment agreement will cease.
- You will become a licence holder and be issued with an equivalent annual taxi licence.
- Your current vehicle details will be automatically attached to your new licence.
- You will not be charged for this taxi licence change.
- You will receive a letter and new licence certificate in the mail.
- You can continue to operate your business as usual.

### **Transition Assistance payments**

Transition Assistance payments are a key part of the government's \$494 million support package for the commercial passenger vehicle industry.

The Taxi Services Commission has commenced sending out Transition Assistance payments to eligible licence owners (those who held and retained their licence from 15 August 2016 until 14 July 2017).

Payments to these licence holders will be mailed this month, with all cheques to be delivered by the end of September 2017.

Recipients are reminded to seek independent financial advice, regarding their personal circumstances and any taxation related matters.

The Taxi Services Commission will respond to enquiries about specific Transition Assistance payments once all payments have been made.

Transition Assistance payments do not cancel your licence or assignment. This will happen at a later stage and the Taxi Services Commission will notify those affected when this happens.

Low cost licences are not yet available and there is no waiting list for them.

### **Assignments**

A reminder for all operators who held an assignment that has recently ended, or who hold an assignment that will end in the coming weeks.

When the new Commercial Passenger Vehicle Industry Bill 2017 comes into effect, all taxi licences under current assignment will be revoked and new annual taxi licences will be issued to the assignee. This means all assignments will cease.

However, if your assignment has ended at this time, and no new assignment has been agreed and advised to the Taxi Services Commission, a new annual taxi licence will not be issued to you.

All operators who wish to be granted a new annual taxi licence as part of the reforms will need to have an assignment in place at the time of the new laws coming to effect. This is currently expected to be late September 2017.

It is advisable to provide all assignment paperwork to the Taxi Services Commission as soon as possible.



## Taxi licence changes

Following payment of Transition Assistance, changes will be made to taxi licences. Perpetual and fixed-term taxi licences will be revoked and a new annual taxi licence issued to the operator. All assignments will cease.

The new annual licences will be issued with the same zone and type (conventional or wheelchair accessible) as the revoked licence as outlined in the table below.

All licence holders will receive a letter from the Taxi Services Commission when this change occurs. There is no change to the licence category of current annual taxi licences.

Current licence to be revoked	Licence changes/replacement annual licence to be issued
MF - Metropolitan Fixed Term	MTA - Metropolitan Taxi Annual
MT - Metropolitan Taxi	
PS - Peak Service	
MF5 - Wheelchair Accessible Taxi Metropolitan Fixed Term	MTA5 - Metropolitan Taxi Wheelchair Accessible Taxi Annual
M50, M51, M80 - Metropolitan Taxi Wheelchair Accessible Taxi	
CTF - Country Taxi Fixed Term	CTA - Country Taxi Annual
CT - Country Taxi	
C50F - Country Wheelchair Accessible Taxi Fixed Term	CTA5 - Country Taxi Wheelchair Accessible Taxi Annual
C50 - Country Wheelchair Accessible Taxi	
RTF - Regional Taxi Fixed Term	RTA - Regional Taxi Annual
RT - Regional Taxi	
RT5F - Regional Wheelchair Accessible Taxi Fixed Term	RTA5 - Regional Taxi Wheelchair Accessible Taxi Annual
RT5 - Regional Wheelchair Accessible Taxi	
UF - Urban Fixed Term	UTA - Urban Taxi Annual
UT - Urban Taxi	
UF5, UT5F - Urban Wheelchair Accessible Taxi Fixed Term	UTA5 - Urban Taxi Wheelchair Accessible Taxi Annual
UT5 - Urban Taxi Wheelchair Accessible Taxi	

## What happens next?

More legislation will follow to complete the reforms, establishing a single commercial passenger vehicle industry. This includes introducing a per trip industry levy, to be introduced in 2018, to cover the cost of providing financial assistance.

### Low Cost Licences are not yet available

It is anticipated that taxi and hire car licences will be available to purchase at a low cost from late October.

If you are an accredited driver at this time, you will be able to apply to purchase a low cost taxi licence without needing to obtain separate operator accreditation.

To be notified when low cost licences are available to purchase, please sign up for the TSC eNews.

Until further notice, existing licensing and assignment arrangements continue to apply.

### Industry Trip Levy

From 2018, all Booking Service Providers and other commercial passenger vehicle businesses will be charged a levy on all commercial passenger vehicle trips.

The levy will be used to recover the cost of the Transition Assistance support package for licence holders and contribute to the provision of ongoing accessible transport services.



## In other news

### **Upcoming changes to Wheelchair Accessible Taxi driver assessment in the Urban zone**

The Taxi Services Commission is in the process of making changes to the practical assessment process for drivers seeking Wheelchair Accessible Taxi endorsement in the Urban and Large Regional zone.

The proposed changes will align with the assessment process currently in place for drivers in the Country and Regional zones, where drivers can complete in-house training with their operator or Network Service Provider before being assessed by a Taxi Services Commission-approved assessor in line with the National Training Framework competency standards.

There are no changes to those wishing to drive a Wheelchair Accessible Taxi in the Metropolitan zone.

Further information will be available shortly.

The Taxi Services Commission website has additional information regarding Wheelchair Accessible Taxi driver endorsement.

### **Wheelchair Accessible Taxi Vehicle Subsidy Scheme extended**

The Wheelchair Accessible Taxi Vehicle Subsidy Scheme is now available to operators in the Urban zone. The scheme continues to be available to operators in the Country and Regional zones.

The scheme assists operators with the purchase of a Wheelchair Accessible Taxi vehicle, or the purchase and conversion of a vehicle to a Wheelchair Accessible Taxi.

Operators in the Urban zone seeking to use this scheme will be required to meet the same conditions as Regional and Country operators.

Information about the Wheelchair Accessible Taxi Vehicle Subsidy Scheme can be found on the TSC website.





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# MELBOURNE AIRPORT

Melbourne Airport is the gateway to Victoria – enabling tourism, freight and trade. The airport is currently experiencing phenomenal growth.

In 2016, we reached the milestone of 35 million passengers, which includes a huge 9.5% increase in international passengers. In July 2017 the airport celebrated 100 months of consecutive international passenger growth and the overall passenger figure is forecast to rise to 64 million passengers by 2033.

Melbourne was again voted the world's most liveable city for a record seven years in a row. Inbound tourism is booming.

Melbourne experienced a year-on-year growth in international spend in financial year 2016-17 with (+10.7%), visitors (+7.3%) and nights (+14.1%). These figures outperform the national capital city.

Melbourne's population is set to exceed Sydney's within 20 years and the airport must ensure it can handle the rise in population.

Melbourne Airport is Victoria's largest taxi hub with 7000 movements daily and over 2.2 million pick-ups each year. At

present nearly a quarter of all public trips are taxis and that number is expected to increase as more travellers fly through Melbourne.

The airport is a customer focused business at its core, and strives to improve the experience for passengers. For taxi customers, it means looking at opportunities to improve rank and queuing facilities, maximise taxi flow, and reduce customer wait times.

As a major transport hub, passengers demand an efficient taxi system to allow pick-ups from the primary airport taxi ranks. To maintain the most efficient vehicle flow on the road network and reduce wait times at boom gates and payment machines, Melbourne Airport is investing in an automated Taxi management system linked to taxi E-Tag accounts.

The E-Tag system has been designed to improve taxi flow from the holding area to the Terminals and to make taxi access fee payments simpler. Moving forward there will be no change to the

current taxi flow path through the primary and secondary holding areas, but improvements will mean there will no longer be a requirement for drivers to exit their vehicle and queue to top up. The system will also be designed to call the appropriate number of Taxis to each of the three airport ranks from the holding areas.

The system is planned to go live in late 2017 with construction well and truly underway. Citylink has recently rolled out an E-Tag replacement program at Melbourne Airport's holding area to assist in ensuring cab driver tags are functioning properly. To make for a smooth transition, the airport will continue to provide updates as the launch date approaches on the Melbourne Airport website and at the taxi holding areas. Melbourne Airport will be activating an online portal that will allow refunds to be provided for any remaining balances on the old 'swipe cards'.

Melbourne Airport is excited to be delivering this new taxi initiative and the opportunities for its customers to be provided with a first class taxi service right at its own front door. For more information on the new taxi management system please visit:

[www.melbourneairport.com.au/taxiaccessfees](http://www.melbourneairport.com.au/taxiaccessfees)

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Image shows 2 ultrasonic sensors

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# DRIVING TO HEALTH

Dr Sandra Davidson

Dr Sandra Davidson will be talking about the Driving to Health project, which aims to improve the mental health of people working as taxi drivers. Sandra is a Senior Research Fellow in the Melbourne Medical School at the University of Melbourne. Her research focuses on identifying and developing new approaches to improving mental health. She is a current recipient of a National Health and Medical Research Council Fellowship and is a post-doctoral Research Fellow on the University of Queensland's Centre of Research Excellence in Mental Health Systems Improvement (CREMSI).

In 2015 Sandra partnered with the Victorian Taxi Association to find out more about the health of people working as taxi drivers. Over several months, Sandra and her research team surveyed almost 400 drivers about their health. They asked about levels of stress, exposure to potentially traumatic events, visits to doctors, exercise, smoking and typical work patterns. Today, Sandra will present the results of this survey, which is the first study in the world to examine

how taxi drivers are faring compared to other people.

Sandra will also talk about the Driving to Health website which her team has designed specifically for people working in the taxi industry. The website can be downloaded onto a smartphone and is designed for drivers to use in the breaks between jobs. It includes over 30 individual activities that drivers can do to reduce muscular and psychological tension, increase relaxation and combat negative thoughts. It also includes a mental health quiz, which will help drivers identify when they should see a mental health professional for additional help. Information about different aspects of mental health and the people who are trained to help with mental health problems is also included in the website.

The research team has tested early versions of the Driving to Health website with drivers to find out what parts they liked and what they found confusing. They used this knowledge to refine the website to its current stage. The next step is the **Driving to Health App Testing Study** which aims to find out what

parts of *Driving to Health* work well, what parts need to be improved and whether it is actually effective in reducing stress among taxi drivers. This information will be used to make changes to the app before it is released to all drivers.

Sandra and her team are currently looking for drivers who are willing to take part in the **Driving to Health App Testing study**. Drivers who agree to take part would be asked to complete a set of questionnaires at the start of the study and again four weeks later. After completing the first set of questionnaires, participants would download Driving to Health and use it as much or as little as they like over four weeks. Participants who complete both sets of questionnaires and login to the website at least once will receive a \$150 Coles-Myer gift voucher in recognition of their time and effort.

If you would like to find out more about the **Driving to Health App Testing study** or take part in it, please contact the study coordinator Teresa Soderlund on [Teresa.soderlund@unimelb.edu.au](mailto:Teresa.soderlund@unimelb.edu.au) or text/call her on: **0435 962 848**.



## TAXI INDUSTRY REFORMS:

# LEGAL IMPACTS FOR MULTI-OPERATOR TAXI BUSINESSES

The *Commercial Passenger Vehicle Industry Act 2017* (**Act**) was passed by both Houses of Parliament on 10 August. The Act has now become law and we can discuss its effects with certainty. The Act implements the Government's decision to consolidate all current licence types into either taxi-cab licences or hire-car licences, effectively revoking all perpetual licences, and to vastly reduce fees for new licences. The government will provide transition assistance to existing licence holders however, details of the transition assistance scheme are not contained in the Act (because these are not 'law' but government policy). The current details of the transition assistance scheme can be viewed in full on the Department of Economic Development, Jobs, Transport and Resources (**Transport Department**) website. In order to fund the transition assistance scheme, a new trip levy has been introduced. The Act also changed the accreditation requirement for networks service providers, now included under the new banner of 'booking service providers'.

See below a summary of the **key rights and requirements** and a **next steps checklist** for networks and their affiliates.

### RIGHTS AND REQUIREMENTS

#### Transition assistance

- Two different types of payments have been announced by the Government accompanying their reforms to the industry: transition assistance payments, which will automatically be made available to holders of eligible licences, and Fairness Fund payments for those experiencing financial distress as a result of the reforms.
- Applications to the Fairness Fund are now closed but assessments are ongoing.
- In order to be eligible for transition assistance payments, the licensee must have held the relevant licence(s) from **15 August 2016** to **14 July 2017** (with some limited exceptions).
- Licensees will get assistance payments for up to **four (4)** eligible licences, with the first licence receiving the full payment amount and each subsequent licence receiving half of the payment amount. If you hold more than four licences, you will be eligible for payments in relation to the four highest value licences. See the Transport Department website for licence value payment details.
- Because transition assistance will only be paid to licence holders who held their licence(s) from 15 August 2016 to 14 July 2017, it does not matter if those licences are otherwise transferred between members or out of an entity (you won't be able to get around the four-licence maximum for assistance payments that way).

#### Service Levy

- The levy is **\$1.00** payable for each trip conducted in a commercial passenger vehicle.
- **Who pays the levy?** Where a booking service is used, the provider of the booking service will be required to pay the levy. Where the taxi is not booked (a rank and hail service), the operator is required to pay the levy. If the trip is unbooked and facilitated by an 'affiliated service' (e.g. a ride-sharing platform), then both the operator and the affiliated service provider will be liable for payment of the levy (the affiliated service provider may pay the levy and require reimbursement from the operator).
- **What do you have to do?** The levy will be collected by the State Revenue Office, and be payable within **30 days** of the end of each **financial quarter**. Anybody liable to pay the levy must be registered with the State Revenue Office, and must lodge a **quarterly return**. Failure to register is an offence and penalties will apply.



## Accreditation of booking service providers

- The Act also expands the requirements to be **accredited** in relation to providing **booking services**. A person or entity who provides booking services for taxis, hire cars or ride-share services must be accredited as a Booking Service Provider (BSP) with the Taxi Services Commission. Network services providers (NSPs) will now be classed as BSPs for accreditation purposes. All existing NSPs will automatically be considered BSPs.
- It will be an offence to operate a non-accredited booking service or for a driver or operator to accept a booking from a provider of a booking service if they know, or ought to have known, that the provider is not accredited.

### **NEXT STEPS CHECKLIST (NETWORKS)**

Networks and operators need to consider how these changes will affect their business and ensure they are best set-up for compliance.

1. **Levy Registration:** Both networks and operators must be registered for payment of the service levy. The mechanism for this has not yet been finalised. Sign up to receive email notifications from the State Revenue Office for more information. The legislation establishes that the trip levy will come into effect no later than 30 June 2018.
2. **Accreditation:** Networks will only need to apply for accreditation as a BSP if they do not already currently hold NSP accreditation. Check the Taxi Service Commission website for details.
3. **Get tax advice:** The industry is awaiting advice from the ATO regarding the tax treatment of both transition assistance and Fairness Fund payments, which will assist industry participants in seeking individual advice. Multi-licence-holding entities and their members are also encouraged to seek tax and/or financial advice in relation to the change in value of the assets of an entity and each member's interest in the entity.
4. **Get your house in order:** Changes to licensing which will result in the removal of perpetual licences are likely to be proclaimed and come into effect at some time in the coming eight weeks. No matter what structure your network or licence-holding entity takes, membership, partnership, or shareholding in that structure is held by a legal person (e.g. real people or companies).
  - The licence might be an asset of the entity or an individual member but, if that licence decreases in value or ceases to exist, the relevant person will not automatically cease to be a member of the structure (unless your governing documents expressly provide for that). Your network or holding entity will not automatically cease to exist either.
  - In the same way, if a member transfers a licence but does not effectively transfer their interest in the holding entity or membership in the network as permitted by your governing documents, then the original licence holder is still a member, and the new licence holder is not a member/has no interest, unless or until the appropriate procedure is followed.
  - Make sure your network or holding entity records accurately reflect current membership.
  - Get legal advice about proper procedures for exiting and accepting members in the context of your particular structure and current governing documents (see items 5 and 7, below).



**5. Do you have members, partners, or shareholders who wish to exit? Get legal advice:**

- Is the network (or related multi-licence-holding entity) a company? If you have a shareholder agreement and a company constitution, these will contain agreed mechanisms for the exit of shareholders and should be reviewed. You may otherwise need to reach an agreement between shareholders on the payment any exiting shareholder will receive for their shares in the company. This may involve determining the 'market value' of the business and its assets (and, consequently, each shareholder's shares).
- Is the network an incorporated association? The association's constitution or rules will need to be reviewed in relation to exit mechanisms.
- Is the network a partnership? The partnership deed will need to be reviewed in relation to exit mechanisms. Consider the assets and liabilities of the partnership held in trust. If there is no partnership agreement then the law provides for certain rights in relation to the partnership.

**6. Do you need to make a new agreement between members on fees and/or procedures?**

**Get legal advice:** A lot has changed over the last year. The structure of the network may no longer be suited to member, partner, or shareholder needs. You may need to change how decisions are made, what fees are payable, what entitlements are owed to members/partners/shareholders, or any other aspect of how you operate. A lawyer can help to guide you through this process.

**7. How do you want to respond to new operators seeking affiliation? Get legal advice:** VTA

Members have previously been advised regarding competition law compliance risks for any networks that are seen to be deliberately excluding new operators from entry into the market by denying them access to network services. That risk can be reduced where a network has appropriate documentation in place (either a services agreement or association rules) to support and evidence fair decision-making procedures. Talk to a lawyer about how this could work for your network.

Contact **KHQ Lawyers** for legal assistance on **(03) 9663 9877**.

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