



General information release – (Based on data available 15th October 2015)

The following information is prepared as background for Aerial's operators, drivers, shareholders and staff.

The information is prepared using publicly available information in the market as of 15th October.

Anyone using this information should seek their own legal and financial advice before taking any action. Aerial releases this purely as a means to assist general understanding.

Government Regulation

We are under the impression that the ACT Government will legalise ridesharing from 30th October 2015. The Government has published a Supporting Analysis (a copy of this is on Aerial's website www.aerialcapitalgroup.com.au) that outlines their intentions for legislation. The Government are drafting legislative amendments to support this announcement. We were led to believe that the amended legislation will be tabled before the assembly at the end of October. We are advised that the RIS (regulatory Impact Statement) that is required to support the legislative amendments will be submitted with the draft legislation.

Aerial has an FOI application seeking access to the entire RIS. We are under the impression that this will be made available to us on 25th October. We are concerned with advice received that the RIS will be based upon the Supporting Analysis and we hold the view that the RIS as such may be incomplete. Aerial in particular looks to the RIS to fully disclose the risk analysis of the ridesharing decision and in particular define the risk associated with ridesharing insurance and the cost to government of funding a suitable regulatory compliance scheme.

As of the 15th October communication with the Government indicates the following:

- Legislative amendments are unlikely to be tabled before the assembly before February 2016
- Stage 1 of a 2 stage process was indicated to last as short as 3 months and not longer than 12 months however it is now suggested that stage 1 may last up to 2 years. We see this extension of stage 1 as an unsupportable competitive restraint on the taxi industry. We look to the RIS to fully assess the risks of this extended stage 1 time period.
- Stage 1 insurance cover for ridesharing is to be borne by the ACT Treasury. We ask if this cost to treasury will impact on private vehicle insurance premiums in the ACT?
- The NRMA have said they will provide insurance to ridesharing. However a recent news article by the Insurance Council of Australia stating "if a ride-share driver sustains damage to his or her vehicle in an accident, or causes damage to other property while providing a ride-share service, a personal motor insurance policy may not cover the cost of this damage". If the "may not" becomes "will not" then is this cost borne by ACT treasury?

- Under the proposed regulatory changes, Aerial will no longer be accredited as a taxi network but will need to apply to become an accredited Transport Booking Service (TBS). This will also apply to any organisation offering ridesharing services in the ACT. The TBS application packages are currently not available and it is possible that they may not be available before the end of October. Aerial has made a request for TBS application documents to transfer our network license to the TBS model.

Taxi Perpetual Plates – Valuation Impact.

The CTIA have discussed this matter with Aerial and we are working together on a plan;

- Fighting fund – If a fighting fund is to be initiated the fund needs a Charter to define its aims, objectives, processes and its apportionment model. The Charter also needs to define a management committee and their authorities.
- Economic analysis – real market data must be obtained, audited and assessed by a professional economist to prepare an impact assessment on ridesharing changes on taxi plate values. This data will only be available when the market impacts are evident. They cannot be forecasted. This means that any case to claim compensation for loss of value can only be created when the market impacts have been proven.
- Legal argument – the real assessment of our argument can only begin once the legislative amendments have been passed by the Assembly. Until this happens the lawyers have nothing substantial upon which to work. As such it looks that we will not be able to commence work on the legal argument until after February 2016?

Supporting Analysis – the answer to questions

Please go to Aerial’s website where you will find a copy of the Supporting Analysis. This is the only document that is available which can provide answers to question relating to ridesharing and the taxi industry as from the 15th October. This is the only information we have and is the only source to date.

In Summary

Aerial’s activities during November will be based on the following key issues;

Obtaining and analysing the RIS. Where this document fails to meet procedural requirements we will be raising the matter with the ACT Opposition and the Auditor General.

Legislative amendments – when the legislation is tabled before parliament, Aerial will comment on the legislation and take a position in the media.

Aerial will be completing the TBS application as soon as it is available and our business processes and marketing plans are being revised to fully compete with the ridesharing market. We believe that the taxi industry can prevail.

Our marketing plans for November and December will be released shortly. We hope to make this exciting.

Taxi operator engagement – a number of initiatives are under way to help taxi operators compete aggressively with the ridesharing market. This information will be widely released in early November.

Stage 1 & Stage 2 – The Government has indicated a strong intention to modify their position during stage 1 depending on market outcomes. We interpret this as the amendment environment is not over with the first announcement. We believe the Government’s agenda is more complicated than simply introducing ridesharing. The taxi industry will be very competitive and we require a truly level playing field that enables our efforts to realise true value. We ask for everyone’s support to hold Government absolutely accountable for the level competitive playing field that these changes create. This needs to be our primary agenda. We need to constantly remind the members of the Legislative Assembly and the media that its outcome will shape our responses during the 2016 ACT election period.