

Infrastructure, Planning and Natural Resources Committee

From: Dylan McCane [REDACTED]
Sent: Friday, 9 October 2015 4:43 PM
To: Infrastructure, Planning and Natural Resources Committee
Subject: Transport Legislation (Taxi Services) Amendment Bill 2015
Attachments: Transport Legislation (Taxi Services) Amendment Bill.docx

Hello,

I have attached my submission as a concerned resident and voter in Queensland to the Infrastructure, Planning and Natural Resources Committee in regards to the Transport Legislation (Taxi Services) Amendment Bill 2015.

Thank you for considering it,

Dylan McCane

Summary

The new legislation attempting to shut down Uber by aggressively pursuing the people they are giving jobs to is foolhardy and reactionary at best. Uber is superior to the Queensland Government and the taxi industry financially, at worst equal to the taxi industry in terms of safety and is leading a revolution of customer service and satisfaction, providing much needed competition to the taxi industry. Uber is also extraordinarily dangerous unregulated. There are three major problems with any attempt at penalising or banning Uber and their driver partners from the market:

- **Financially** both the taxi industry in Queensland and the Queensland Government have nothing on Uber. The only damage you can do to the company is to hurt the people who rely on Uber to pay their rent and bills while they work toward their goals. That is exactly what this legislation is trying to do. Uber will simply seek new drivers if their old ones lose their licenses and pay the fines of the drivers who are caught out.
- **In terms of safety**, the only evidence of danger involving Uber are the assaulted Uber drivers themselves that have potentially come from fear mongering by these attempts to regulate them out of the market. Otherwise, everything points to Uber actually being safer, with no anonymity, driver ratings and a cashless system.
- **Satisfaction** with the taxi industry is extraordinarily low and Uber is providing much needed rejuvenation to customers, even lifting the taxi industry's game through competition.

Detail

Finance

The Queensland Government brings in less than fifty billion dollars a year in revenue according to the Budget Strategy and Outlook 2015-2016¹. The company value of Uber is estimated at 51 billion dollars a year ². The Queensland Government administers hundreds of services every day for five million people. Uber provides one service for one million customers a day. Employing 15,000 drivers in Australia alone, compared to under 4,000 taxi cabs in Queensland; ultimately Uber knows the taxi industry far better than the Queensland government^{3,4}. The Transport Legislation (Taxi Services) Amendment Bill 2015 seeks to increase fines to illegal taxi operators in order to “deter non-compliance with the Transport Operations (Passenger Transport) Act 1994”⁵. Uber already pays millions in fines for their drivers. This is merely considered a cost of doing business to Uber and the cost to them is minimal⁶. The fines do not impact the drivers at the moment as a result.

Safety

There are concerns about safety surrounding Uber. There has yet to be a documented case of a dangerous encounter during an Uber service in Australia. On the other hand, the dangerous rhetoric

¹ (Queensland Government, 2015)

² (McMillan & Demos, 2015)

³ (Burke, 2015)

⁴ (Australian Taxi Industry Association, 2014)

⁵ (Queensland Government, 2015)

⁶ (Remeikis, 2015)

surrounding the entry of Uber into the market has possibly brought innocent taxi drivers to panicked levels⁷. Commentators and the Taxi lobby have pushed the message of danger and destruction so far that several Uber drivers have been violently beaten as a result of the unfounded fear⁸. Uber provides several safety features unavailable in the regular taxi industry: they remove anonymity and provide a totally cashless service. Ratings of drivers and their name and picture are all available before you step anywhere near an Uber driver's car⁹. This is not true of taxi cabs, which are often reached at taxi ranks late at night, in areas where alcohol related violence is more likely to be prolific, especially around a taxi rank that is designed to act as a hub for the intoxicated.

Satisfaction

Satisfaction with the quality of service provided by taxis has been on a downward trend, with unhappiness with drivers at 75% according to NSW regulator IPART¹⁰. Uber on the other hand has much higher satisfaction ratings and the introduction of the service has even seen strongly increased satisfaction where taxis have tried to meet the new competition^{11, 12}. Uber is faster after booking in arriving and 40% cheaper according to consumer advocate CHOICE¹³.

Conclusion

Uber is not worse than the taxi industry, but it isn't better either. It's market practices are appalling, pricing taxi drivers out of the market. The taxi industry's rhetoric is possibly getting people hurt and leading to dangerous legislation proposals like the Transport Legislation (Taxi Services) Amendment Bill 2015 that severely harm hard working Queenslanders from some of the lowest socio-economic backgrounds. Ride sharing, however, is here to stay, and with the might of Uber will continue to flaunt Queensland legislation of any kind.

The only option to fight their dangerous market practices and help family investors with their taxi license investments is to regulate ride sharing separately, sensibly and quickly. The viability of these family investments in licenses is in question, with the government regulated industry inflating the price and reducing the quality of service.

The only truly safe option for consumers, investors and the providers of these services is to find a unified regulation system, that doesn't rely on extraordinarily expensive licensing and keeps all aspects of the system safe. There will be a huge economic boost and quality of service boost. Enacting this legislation will do the opposite. Thousands of jobs will be lost and service quality will continue to decline.

⁷ (ABC News, 2015)

⁸ (ABC News, 2015)

⁹ (Jennings-Edquist, 2014)

¹⁰ (Carlisle, 2013)

¹¹ (Williams, 2015)

¹² (Carey, 2015)

¹³ (Williams, 2015)

References

- ABC News. (2015, October). *Brisbane Uber attacks: taxi company cites industry anger in condemning alleged assaults on drivers*. Retrieved from abc.net.au: <http://www.abc.net.au/news/2015-10-05/uber-drivers-attacked-by-group-of-men-in-brisbane/6827208>
- Australian Taxi Industry Association. (2014). *Taxi Statistics*. Retrieved from ATIA: <http://www.atia.com.au/taxi-statistics/>
- Burke, L. (2015). *Uber driver numbers reveal impact on taxi industry*. Retrieved from news.com.au: <http://www.news.com.au/finance/business/uber-driver-numbers-reveal-impact-on-taxi-industry/story-fnkgde2y-1227477030842>
- Carey, A. (2015, May). *Taxi satisfaction levels rise in Melbourne as industry lifts game*. Retrieved from theage.com.au: <http://www.theage.com.au/victoria/taxi-satisfaction-levels-rise-in-melbourne-as-industry-lifts-game-20150508-ggx8ps.html>
- Carlisle, W. (2013). *Poor fare: the tough life of the Australian taxi driver*. Retrieved from abc.net.au/radionational: <http://www.abc.net.au/radionational/programs/backgroundbriefing/2013-06-23/4765892>
- Jennings-Edquist, G. (2014, December). *Explain to me: "What is Uber and is it actually safe to use?"*. Retrieved from mamamia.com.au: <http://www.mamamia.com.au/news/is-uber-safe/>
- McMillan, D., & Demos, T. (2015, July). *Uber Valued at More Than \$50 Billion*. Retrieved from The Wall Street Journal: <http://www.wsj.com/articles/uber-valued-at-more-than-50-billion-1438367457>
- Queensland Government. (2015). *Budget Strategy and Outlook 2015-2016*. Retrieved from The Queensland Government: <http://www.budget.qld.gov.au/budget-papers/documents/bp2-3-2015-16.pdf>
- Queensland Government. (2015). *Transport Legislation (Taxi Services) Amendment Bill 2015*. Retrieved from legislation.qld.gov.au: http://www.legislation.qld.gov.au/Bills/55PDF/2015/TransLegTaxiServAmB15_PE.pdf
- Remeikis, A. (2015, June). *Uber fined \$1.7 million by Queensland*. Retrieved from brisbanetimes.com.au: <http://www.brisbanetimes.com.au/queensland/uber-fined-17-million-by-queensland-20150624-ghwugz.html>
- Williams, H. (2015, September). *Uber Vs Taxis: Choice Says UberX Is Cheaper And Safer*. Retrieved from gizmodo.com.au: <http://www.gizmodo.com.au/2015/09/uber-vs-taxis-choice-says-uberx-is-cheaper-and-safer/>