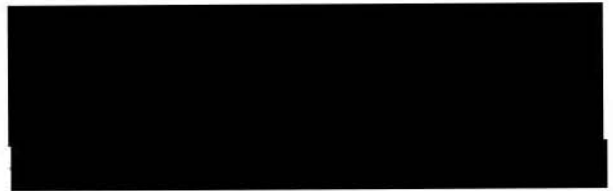


Peter & Annette McNickle



18th October 2015

Dear Chair

Thank you for the opportunity to make submissions on the Transport Legislation (Taxi Services) Amendment Bill 2015 (the Bill).

I support the Bill as an important step to enforce the Government's taxi regulatory regime in Queensland and deter illegal taxi services.

Background

I am a small business operator in Brisbane and I operate 25 taxis employing about 100 drivers and support staff. I have been in the taxi service industry for over 35 years.

I operate my taxi business in a market that was created by the Queensland Government. I purchased two taxi licences and lease 23 more licences.

As you would be aware, taxi service licences have been issued and sold by the Queensland Government for many years. The Queensland Government also established a market for the buying, selling and leasing of taxi service licences. Any person in Queensland that has started a lawful taxi service business has had to either buy or lease a Queensland taxi licence. New and expanding businesses continue to be obligated to buy into this regulatory market.

In about 2012, I bought two taxi service licences for \$460,000 and \$470,000. I lease 23 other taxi licences. The Queensland Government's well established rules have and continue to oblige me to buy or lease taxi licences to operate lawfully. My almost \$1 million investment in the Queensland Government's taxi licences is effectively my superannuation fund and is critical for my future retirement.

Impact of illegal operators and sovereign risk

Given the current uncertainty in the taxi service industry caused by ineffective enforcement of the law and the sovereign risk introduced by the recently announced Government taskforce review, the value of taxi licences has plummeted from a pre-Uber invasion of \$550,000 per licence. The only recent sale I am aware of was for \$420,000 last month with another operator having his licence currently listed for sale for \$350,000 with no interest to date.

The market for taxi service licences in Queensland is close to collapse.

This means the current uncertainty may well cost me personally close to a million dollars if the uncertainty continues. As a small operator, this will have a devastating financial impact and will delay my retirement. This also puts at risk the drivers and support staff whose livelihoods and families depend on small businesses like mine. Taxi drivers are some of the hardest workers in Queensland.

A Government that believes that introducing sovereign risk is an acceptable policy response for lawful businesses puts at risk thousands of workers' jobs and undermines investment and confidence, not just in the taxi service industry, but also for the many other workers and businesses that support and rely on the industry.

Enforcement of the law and deterrence

I'm told that transport inspectors in the Queensland Government make some attempts to enforce the law by fining some illegal Uber drivers.

However, these enforcement tools are completely ineffective given Uber, a multibillion dollar foreign multinational company, pays the fines imposed on illegal Uber drivers. This action by Uber removes the deterrence and Uber drivers, who seem happy to break the law, continue to provide unlawful services with effective impunity.

I do not understand why the Queensland Government seems unwilling to act swiftly to deter people who do not respect the law from providing public services where trust and the safety of customers is paramount. Young women, families, the disabled and the community at large should not be put at risk by obtaining services from persons who willingly break our laws but have de facto tolerance by the Government through ineffective enforcement.

This Bill proposes a true deterrent to unlawful operators by introducing demerit points for the drivers who profit from illegal services. The obvious public policy supporting demerit points is that the deterrent for driving related offences should not be avoided by persons who simply treat fines as a compliance cost. Public safety on our roads depends on demerit points as a key deterrent. Therefore, I support the proposal in the Bill to introduce demerit points for drivers operating illegal taxi services.

Continuing regulatory costs for lawful operators

Illegal operators easily undercut the prices of lawful operators as they avoid substantial compliance costs. A key part of the attraction of Uber's services is they are cheaper than lawful services. Servicing the debt to buy taxi service licences and the lease costs obviously contribute to the prices for lawful taxi services. There are also many other compliance costs put on lawful operators, many of which are intended to protect customers.

I recently received a notice from Queensland Transport advising me that I am required to have new security cameras installed into my taxis by 31st July 2018. Complying with this notice will cost me \$3,500 per taxi, totaling \$87,500. This cost is a major impost on my small business.

I am dismayed that in one hand, the Queensland Government is increasing the regulation and costs on lawful taxi services. In the other hand, the Government undermines lawful operators by not only tolerating illegal services with ineffective enforcement, but by announcing a review taskforce that puts our businesses at risk with immediate financial impact and gives illegal operators de facto Government acceptance.

Deterrence against illegal operators should be immediately strengthened to support operators who continue to act lawfully to meet increasing compliance costs.

Commercial registration

Lawful taxi services must also obtain much more expensive commercial registration which costs about \$6,577.30 per year while illegal operators pay standard registration fee of \$670 per year. In my case it is costing me more than a massive \$147,000 per annum to operate above that of a Uber fleet.

If a Uber driver has an accident and their passenger is seriously injured who is going to pay? Queensland Transport should enforce this aspect of illegal taxi services.

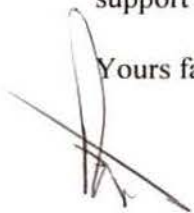
Uber

Media reports on the Committee's recent public hearings with Queensland Transport have stated that the Government has legal advice that Uber is not acting unlawfully, despite its drivers providing illegal services. Unfortunately, the Hansard transcript of this hearing is not yet available to better inform my submission. However, if Queensland Transport has made the statements as reported, I ask that the Committee obtain and scrutinize that advice to better inform its recommendations to the Legislative Assembly.

It is difficult to see how Queensland Transport could maintain a claim of legal professional privilege if it has acted inconsistently with the confidentiality of that advice by disclosing its conclusions.

Thank you for the opportunity to make this submission on the Bill and I hope not only does the Committee recommend the Bill be passed, but that the Queensland Parliament passes the Bill to support Queenslanders that act lawfully to provide an important service.

Yours faithfully



Peter McNickle