

Submission to the Infrastructure, Planning and Natural Resources Committee
Transport Legislation (Taxi Service) Amendment Bill 2015

Gordon and Chris Carter


Taxi Licence owners. October 2015.

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We support in the strongest terms this Amendment Bill with respect to Taxi Services in Queensland, and see the introduction of demerit points to drivers as possibly the most effective way of combating the rise of uber and other illegal taxi services, and the devastating effect it is having on the taxi industry in Queensland, and the people whose livelihoods depend on it.

We have been involved in the Queensland taxi industry for 28 years, buying our first licence in 1987, eventually acquiring and retaining four more. By 2005 we had sold two licences, selling three more in 2005 and 2006, before purchasing one more licence through our Superannuation fund, also in 2006.

Now as self-funded retirees the revenue derived from the Super fund held taxi licence is a significant element of our retirement income. We lease our licence to Yellow Cabs, which in turn sub-leases it to a third party.

The income, or lease payments, to us is derived as a percentage of the value of the licence. So, that whilst that valuation is indexed, it is also very vulnerable to downward movement, as might occur in times of recession. In this event, our monthly income reduces.

The two factors – value of the licence and income derived from its' lease – are intrinsically linked. That is, if the former increases, so does the latter, and vice-versa.

Following the rapid rise of 'ride-sharing' services, specifically uber, there is no doubt that the actual value of cab licences have, and will continue, to decline.

As at 30 June 2015, the (paper) valuation on a taxi licence in Brisbane was given as \$509,000, down from \$530,000 as at 30 June 2014. At present, with no licences being bought or sold – there is no market - it is impossible to know what a taxi licence in Brisbane is actually worth. We have been trying without luck to sell our licence for over 18 months. We have heard, anecdotally, that banks and other financial institutions are not lending money to potential investors looking to purchase taxi licences.

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We are fearful of the next valuations, and for what the future may hold. There are many retirees, such as ourselves, who hold taxi licences as part of Superannuation funds, and rely on their continued reasonable performance to support, or contribute to, retirement living. For some, it would possibly be their main, or perhaps only, source of retirement funding or income.

If the value of taxi licences drops, we will have to go onto a part Government pension. If owners are forced to cut costs by reducing the number of drivers, unemployment will increase, which is a further drain on the economy and tax-payers.

As we understand, uber drivers do not have an ABN and pay no GST or PAYG Tax – whereas income earned by taxis is taxed for GST on every dollar and they have PAYG Tax to pay on their earnings.

Other anomalies exist which make it impossible for bona-fide taxis to compete fairly against uber. The difference in the amount of insurance, licence fees and levies as well as safety and security requirements means that regulated cabs have much higher costs than do the illegal operators. Also we *have* to have regular maintenance checks, and maintain the age of our car at a specified maximum level (six years). Our drivers are also thoroughly criminal checked prior to employment. They also undertake mandatory training.

The introduction of demerit point seems to be an effective method to deter potential (and current) drivers from participating in an illegal activity – that is driving for an illegal taxi service. Whilst ever uber, the company, continues to pay the on-going fines of drivers, there will be no personal deterrent, other than a conscience. Demerit points, and the threat of loss of a licence, should help to cut off the life-blood of drivers to the company itself.

Queensland has one of the best and most reliable taxi services in the world, and it should be kept that way. It is the responsibility of our politicians and legislators to protect not only the livelihoods of the thousands and thousands of people employed, and the investment of the thousands of people who have believed and invested in the future of this industry, but also the industry itself, for the benefit of the people of Queensland.

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Chris Carter
Taxi Owner