

Saturday, 17 October 2015

Peter Kello



Research Director,
Infrastructure, Planning and Natural Resources Committee
Parliament House
George Street
Brisbane QLD 4000

I am writing to present my submission to the Committee that is considering the Transport Legislation Amendment Bill. My submission is attached.

If the committee have any additional questions or queries of me, I will be very happy to supply additional information.

Yours Sincerely,


Peter Kello

Submission to Queensland Parliament Committee

Infrastructure, Planning and Natural Resources Committee

Transport Legislation (Taxi services) Amendment Bill proposed by Mr Katter (Mount Isa – KAP)

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Type of submission: Private individual – investor in taxi license

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The following is my submission to the Parliamentary Committee. The submission represents my own ideas and thoughts and I am making this submission as a private individual who is a long term owner of Taxi Licenses.

Background

The Taxi Industry in Brisbane has a long history of high safety standards, 24 hour service, reliability and the flexibility to cater for a range of clients including handicapped, unattended minors, larger groups, pensioners etc.

This has only been possible due to the serious investment in driver training and in car improvements and safety technology including cameras. Legal taxis are checked by Transport Department officials to verify the car has all the necessary devices installed and in working order. The owner of the Taxi License has invested significant money to buy a license that is part of a Queensland Government regulated industry. The legal taxi sector has in place stringent driver training and testing standards that mean no one can become a driver without investing time and skills to meet the standards. Legal taxis are regularly inspected by Transport Department officials to ensure the car has the additional safety equipment and also to ensure taxi meters are functioning in accordance with set regulations.

These regulations are what has made the industry a safe and reliable transport provider to the community and has also meant the investment in licenses and annual fees for the Taxi license plus the costs of registration and insurance were justified. The illegal taxi sector represented by UBER drivers has none of this investment and none of these safety standards. But every day through the magic of the App they operate with, they can simply take fares from the legal taxi sector. UBER does not pay the high cost insurance a legal taxi pays (often over \$7,000 per year) and nor do they pay official taxi registration fees, GST, costs of safety cameras etc. in fact UBER uses a free APP and then any private car is able to take fares from the legal taxi sector. An UBER driver never needs to buy Legal Taxi Plates like I have done for my Yellow Taxis. UBER drivers do not need to pay to have their car painted in the official Company Colour Branding (eg Yellow/Orange for Yellow Taxis). UBER do not need to offer a 24 hour service or make sure there are cars able to transport handicapped or minors in a secure car. Instead UBER are grabbing the easiest fares – individuals that are happy for a half price fare and tend to be the

easiest fares to transport leaving any more challenging and effectively lower margin work for the legal taxi industry. As an expanding global business model needing a footprint in Australia, UBER is paying any fines imposed on their drivers. They do this not because they care in particular for their drivers – they are simply trying to grow their base in Australia and when they list the company they will be able to show it is a Global company. But in the time they are doing this the genuine taxi investors in Legal Taxi licenses will see their investment value wiped out. Is this fair??

Why is new legislation necessary?

It is reported in the media that over the last 18 months, the Queensland Department of Transport has imposed over \$1.7 million in fines on UBER drivers. All UBER drivers are assured that any Court appearances for fines and any actual fines will be met by UBER. The important point I want to make to the Parliamentary Committee is that the current legislation is not working. UBER drivers boast that UBER pays any fines and they continue business as usual.

The purpose of the current Queensland Government Transport Legislation is to control who can operate taxi services in Queensland. There were good reason for this legislation and I will not repeat these reasons here as I am sure the Committee are well aware of these. The problem is that UBER is making a mockery of the legislation. If the intention of the Government is to have a controlled and regulated Taxi industry then the measures to enforce that legislation must be equal to the task. Over the last 18 months the Department of Transport officials using the existing regulations have delivered fines but these have not been adequate to enforce the intention of the Transport Legislation. In other words despite the fines imposed over the last 18 months, there is an illegal taxi service in Brisbane operating right now. Its called UBER and you can see them pull up sometimes near a legal taxi rank and drive off with a fare ordered by APP, while the legal taxis sit idle on the rank and naturally are frustrated.

What can be done?

I think the only option is to support the Amendment Act proposed by Mr Katter (MP for Mt Isa). We need an amendment that will increase the penalty on UBER drivers for carrying on an illegal taxi service.

If the current legislation and penalty provisions are not sufficient to stop UBER, then Parliament has no option but to increase the penalties on UBER drivers.

The Queensland Government regulates the public transport sector and in the case of legal taxi's, the Government has sold many high \$ value taxi licenses to investors. The Government needs to enforce its own Transport Legislation for the official taxi sector and the Amendment Bill proposed is the best way to do this.

P. Kello 17-10-2015