

# UBER – ILLEGAL TAXI SERVICE SUBMISSION

UBER is NOT a ride sharing service. This is a clever ploy on their part to brand themselves. As a matter of course the Media & Social Media publish & recycle any information given to them right or wrong. It sounds harmless enough, but who is doing the sharing? What does that term mean? UBER is providing illegal taxi services. It is an illegal highly discriminatory criminal organisation that has cleverly used social & mainstream media to manipulate public opinion into believing that it is a good thing to deregulate the taxi industry. What they are actually doing is taking the cream off the top of an industry already struggling under legislative compliance costs and an economic downturn. The Qld government in their wisdom have a regulated taxi industry for several reasons. The main reason is to ensure transport services 24/7 to the public at large, not just to people with an Iphone & a credit card.

The average taxi driver dreams of every fare being pre-paid, of every passenger being identifiable. The reality is far from this. Fare evasion is rife, particularly at night. Most of the time drivers do small jobs. Occasionally they get a dearer fare to the airport or out of town to bolster their income. A significant portion of jobs are with the elderly or disabled or with people from lower socio-economic standing who can't afford a car and/or need assistance. Most of these types of jobs are time consuming and usually unprofitable. **Any deregulation of the industry would see severe discrimination against these categories of people.** These people get a good service because the government regulations currently in place ensure taxi companies & the Dept. of Transport enforce the laws that prevent discrimination (see Attachment 1). Taxi drivers are the only category of worker who are deemed to be self-employed yet are compelled to do unprofitable jobs. However if these regulations weren't in place and we had any deregulation all drivers would be free to cherry pick the most profitable jobs. How would these already disadvantaged people get their groceries or go to the doctor or hospital or pick up their kids. The legal Taxi drivers, operators and companies accept these regulations as a fact of life in their industry and largely provide these services with a smile. The Bligh government recognised some of these anomalies and had agreed to a \$6 government subsidy for Maxi wheelchair jobs. This was scrapped when the Newman government came to power. Anybody contemplating voicing an opinion on this matter should read Transport Operations (Passenger Transport) Regulation 2005 (TOPTR), particularly Section 62 (See attachment 2) which was enacted on 30/05/2008,

UBER is providing illegal taxi services, circumventing all relevant laws, including tax laws, and only taking the absolute cream off the top of the industry. Services may be slightly cheaper at the top end because of the imbalance of the cost structure, and avoidance of relevant taxes but the end result of any deregulation will be a poor result for the general public. As an illegal operator, UBER can feed any information to the Media & it is automatically published. As an example there has been several mainstream TV & radio interviews with so-called executives from UBER who have been named as in charge of this illegal operation. They flaunt their illegality openly as a good thing and in all cases I've witnessed, commentators never question the disinformation dispersed. Uber says they would welcome being included in the transport industry but this is just a stalling tactic to show reasonableness. The reality is any inclusion in the transport system would lessen their illegally gained and apparently tax free, profits. How is it that the ATO haven't sent the AFP in to their offices to nab their files and the principals & prosecute them for tax evasion? Avoid excise on something & the FEDS are there with alacrity to enforce laws, ensure taxes are paid & prosecute offenders.

UBER's website contains a very lengthy Privacy Statement which I am sure nobody who uses UBER has read. It alludes to accessing a customer's phone contacts unless they change their settings and user's personal information being stored in other countries "some of which may have less protective data protection laws than the region in which you reside".

The Qld Department of Transport has made a concerted effort to catch and prosecute Uber drivers. However you cannot book an UBER trip without an Iphone and a credit card. Once a driver is caught the phone and card details used for the booking are blocked by the UBER site from further activity. Clearly clever, but clearly done to avoid prosecution & proceed illegally. Clearly penalties need to be increased. How the principal managers perpetrating an illegal activity can parade around openly promoting their illegal product says something is wrong with our laws. The state laws state that a Taxi service can only be supplied by having a contract to provide services with the State government. As principals of an illegal taxi service surely they are in breach and should be prosecuted.

## SOME VERIFIABLE FACTS

**FARE COST** – No one seems to have done a definitive comparison except over a very small sample. The UBER website apparently will not give a quote unless you join up, which includes your email & credit card details. As an unregulated criminal organisation they conduct surge pricing. Media reports indicate that during the Sydney hostage crisis UBER increased their prices from a normal \$25 FARE TO \$100. Once it was exposed that they were trying to benefit from this awful tragedy they quickly dropped their fares. In Qld all metered or non-metered rates (regional) are set by the State government and stiff penalties apply for overcharging. The cents per kilometre rate in Qld varies by region but is fixed & has had one minor increase (1.4%) in 4 years. Full details are readily available at The DEPT of TRANSPORT & MAIN ROADS website. Several fare price stickers are displayed on every Taxi in plain view as are the driver ID card & licence number. Every Taxi fare meter has a built-in cost of 10 % GST. The driver and owner operator of the cab (usually they split takings 50/50) must submit a Business Activity Statement (BAS) & pay the ATO, usually quarterly. No GST minimum threshold applies to taxi drivers/operators they pay GST from dollar one on every fare.

**CONVENIENCE** – Taxi companies and drivers are bound by a performance service contract with the Government (see attachment 1). There are clear parameters set out about service delivery times 24/7. These are regularly audited by Transport Dept. officials, usually monthly. UBER has convinced people that they have new and better technology. The Taxi industry has always been at the cutting edge of technology. **Taxi companies have had an AP that does all the same things as UBER for approx. 5 years.** Cabs can be booked by phone, SMS, Online, or by AP. The AP includes GPS tracking of the Taxi once dispatched. Quotes are available online or by phone and pre-payment has always been available. UBER permanently has the rider's Credit Card details & can debit same at will if the driver claims any detours, delays etc. One should try getting any recourse from an illegal operator based in the US. The disclaimer in UBER's Privacy statement about a customer's details storage should be a major cause of concern.

**SAFETY** – UBER makes claims that their drivers have Taxi driving authorities & have had police checks. How is that verifiable when government scrutiny is not available? Legal Taxi drivers must do an English test, a medical, a training course and have Australia wide driving & police checks and visa checks. They must have held an Australian open licence for at least 1 year. They must carry their licences & ID card at all times. They must be logged on to the dispatch system & have a PIN number to do so (see attachment 2). Disclosure of their PIN to another person who logs on falsely, warrants instant dismissal from the company. The Transport Dept then levies a substantial penalty & cancels their taxi authority. This procedure is rigorously policed and can be verified by a download of camera footage. UBER has the GPS coordinates of the driver's phone. If once he receives the job details, he turns the phone off what then? A Cab's GPS is available 24/7. Camera footage is contained in a black box, similar to that of an aircraft. Recently on the Gold Coast a female passenger was physically thrown from a UBER car and run over (see Gold Coast Bulletin 7<sup>th</sup> Sept 2015). Taxi cameras would have clearly shown events and the parties involved. What's to stop an UBER driver giving his phone to an associate who may not even have a drivers licence? Now that the public is aware of UBER, it is possible that **anyone in any** unmarked car pulling up to a busy taxi rank at 3 am, when most passengers are inebriated, can say they are an UBER driver (no ID required) & pick up fares, or worse, vulnerable females. There is no way the car can be traced. The downside for the public and particularly the government is huge. All taxis have extremely prominent markings including a hail light, a rego starting with a T, and a fleet number is clearly displayed at several points. All Sedan taxis cannot be older than 6 years & must have a compulsory rigorous Dept. of Transport mechanical inspection (at the owners expense) every 6 months. Again UBER's claim re their vehicles' condition cannot be verified.

**LICENCING** – The least reported area of this debate has been taxi running costs. The state government monitors service delivery times closely & issues more licences as required. All computer records are made readily available by the booking companies. Using a tender process, taxi licences have been regularly released & sold to the public by the government over many years, usually at about or slightly below the prevailing market price. Licences are then bought & sold like real estate between interested parties. Prices are governed by supply & demand like any property. Brisbane has seen the number of licences increase over time to cope with rising population & demand. These licences have a fixed service area & are subject to many government regulations. The owner of the licence can either buy a vehicle and operate the taxi or lease the licence to another party who buys & operates the cab & pays a monthly rental for the licence usually about 6% or slightly under. Hardly a high return.

**CAB COMPANY COSTS** - Cab companies are booking companies, similar in function to UBER. They take bookings from the public & dispatch a taxi to do the job. To be on the company's dispatch system, independent cab owner/operators pay a monthly fee of approx. 4% to 5% of taxi fare takings. UBER takes a flat 20%. These dispatch companies do not own any taxi licences. Taxi licences are owned by individuals or management operators who pay a uniform fee to the dispatch company for the bookings.

The 2 main companies in Brisbane have invested millions in the very latest call centre & computer technology. Job data recorded is now comprehensive. Cabs can be located & tracked by GPS anytime. When a job is dispatched, information on the driver, route, time, speed and fare on the meter is recorded and is available for review or provision to relevant authorities for several years. The companies are subject to compliance with Govt. regulations and quality assurance under their Service Performance Contract.

**DRIVERS** - Figures used below are generally available to drivers – however commissions and insurance arrangements may vary depending on a driver's takings and accident experience. State govt. law dictates that all commission arrangements and driving conditions between cab operator and driver is clearly spelled out in writing in a bailment agreement and duly signed by both parties with both parties retaining a copy. Any changes must be done with a new agreement with the consent & signature of both parties. Failure by the operator to have written agreements in place when the Transport Dept. do regular audits can result in substantial penalties to the operator.

Some learned journalists have reported online of doing comparisons & found that UBER fares are up to 40 % cheaper. So just for the exercise let's compare a \$50 cab fare to the airport. Cab drivers might get one \$50 job a shift if they are lucky. The taxi owner/operator gets \$25.00 and pays 10% GST, petrol & ALL other expenses listed below on page 4. Taxi Driver gets \$ 25.00 less GST 10% = \$22.50. The only ongoing cost to the driver is a Govt. hire driver authority renewal each year of approx. \$130

The UBER quote would be \$30. i.e. \$50 taxi fare less 40%. UBER gets 20% (\$5) the UBER driver gets \$25.00 but has to pay for his own petrol. Usually a rough rule of thumb is about \$1 in \$10 takings goes on fuel – less for a hybrid or LPG. So the UBER driver gets .... \$22.50. Funnily enough, roughly the same as the Taxi driver. However out of his remaining \$22.50 he must also fund – cost of the vehicle, vehicle insurance, registration, running costs (tyres, services, brakes etc.), mobile phone costs, etc.etc.

How is this a good deal for the UBER driver? How can UBER have low fares and yet insist their drivers are better paid. The figures cannot be right, can they? Another disinformation campaign dutifully reported by the media as fact. UBER drivers don't have to meet any of the comprehensive requirements & standards set by the State Government (listed above under SAFETY). Taxi drivers do. Nor apparently does UBER or it's drivers pay GST & probably no income tax. On the above figures one can only assume that any drivers who stick with UBER are either unwilling or more likely, **unable** to join the Taxi industry through being in some way **ineligible** to meet government licencing requirements. Anecdotal evidence and logic suggests that there is a huge churn of drivers only fuelled and sustained by the incessant, relentless social media campaign. This can be run very cheaply with the assistance of an unwitting, unthinking and unaccountable mass media.

.... More.

## **TAXI OPERATING COSTS**

**TAXI LICENCE HOLDER COSTS** – State government Stamp Duty on licence purchase approximately 3 %.  
Renewal & security fees – approx. \$700 p.a.

## **TAXI OPERATOR COSTS – ALL ARE MANDATORY**

GST

Licence buy or Lease cost

Vehicle cost

Vehicle computer fitout/paint decals etc.

Camera installation & Maintenance

Vehicle Insurance

Vehicle inspection fees

Registration & 3<sup>rd</sup> Party Personal Injury Insurance

Booking company affiliation fees

Running & Maintenance costs incl. fuel

Accurate figures for any genuine media enquiry can be readily obtained by contacting senior management of either of the major cab companies in Brisbane i.e. Yellow Cabs or Black & White Cabs for an interview.

## **SUMMARY**

There seems to be a general lack of knowledge or willingness to acquire knowledge about the structure, operation and requisite legislation of the Qld Taxi industry, by both the public, the mainstream media. A lot of these people seem to think UBER is a good thing. There is no rational debate involving facts or an investigation into possible consequences. The website of the Qld Department of Transport & Main Roads provides a raft of taxi information, including fixed meter fare prices, service delivery times (which are always within the Government's required parameters) and more.

The reason the capital cost of licences has seen a steady increase over many years is not because there is a lot of money to be made in the taxi industry. The returns have never been that great, but because it is government regulated and is seen as a safe haven for the steady investor. Many small investors have put their homes at risk for what was seen as a safe investment with a moderate return akin to property. These are not speculators looking to make a quick buck. There are many small business operators who have worked hard, played by the rules, payed their taxes, & paid off their taxi licence as their Superannuation. They are now distraught that the government has delayed any decision on increasing penalties on illegal activity enough to make illegal operations unviable. In the meantime, due to uncertainty they have seen their investment not only devalued, but unsaleable.

**It is clear that UBER will persist as long as they are able to illegally gouge any untaxed profit from an honest, hard working, and largely misunderstood industry.**



## Memorandum

Our ref  
Your ref  
Date 29 June 2011

**To**                    **NOTICE TO ALL TAXI OPERATORS AND DRIVERS**

**Subject**            **Changes to Legislation with regard to rejected jobs**

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Recent changes to the *Transport Operations (Passenger Transport) Regulation 2005*, now make it a breach of legislation for a driver to refuse a radio booking (see **Attachment 1**). It also requires that a taxi driver providing a service in a contract area is logged on at all times and available for hire (when there are no passengers in the taxi). This change to legislation was designed to ensure drivers accept radio bookings when allocated by booking companies and improve the level of service provided to the public as a result.

The department receive a monthly report from Taxi Booking Companies with a list of drivers who have recorded a high number of rejected jobs. These drivers are then sent a letter as a formal warning that if they continue to provide the same poor level of service, the Department of Transport & Main Roads may take further action against their Driver Authorisation.

Possible action may include;

- (a) suspended driver authorisation for a period of time under Section 28(2)(c) of the *Transport Operations (Passenger Transport) Regulation 2005* or,
- (b) issue of Penalty Infringement Notices for failing to comply with Section 62(1) of the *Transport Operations (Passenger Transport) Regulation 2005*.

The Department of Transport and Main Roads will continue to monitor the performance of these drivers to determine if further action is required.

If you require further information about this change please contact me on 4639 0711.

Kind Regards

**DEPARTMENT OF TRANSPORT AND MAIN ROADS**

Enc ( Attachment 1 )

**Transport Operations (Passenger Transport) Act 1994**

## 23 Purpose of Driver Authorisation

- (1) The purpose of driver authorisation is to maximise public confidence in public passenger services in relation to the drivers of public passenger vehicles.
- (2) Without limiting subsection (1), the purpose includes ensuring that drivers of public passenger vehicles -
  - (a) are suitable persons to drive public passenger vehicles having regard to the need to provide for the personal safety of passengers and their property, and the public; and
  - (b) conduct themselves responsibly with passengers and the public; and
  - (c) are responsible in the act of driving and are capable of safely operating the relevant type of vehicle: and
  - (d) are aware of their customer service responsibilities; and**
  - (e) are held accountable for complying with appropriate standards.
- (3) Without limiting subsection (1) or (2), the purpose also includes ensuring that drivers do not damage the reputation of public passenger transport.**
- (4) In deciding whether to grant driver authorisation to a person, or to renew or amend, impose a condition on, or suspend or cancel a person's driver authorisation, the chief executive must take into consideration –
  - (a) the purpose of driver authorisation mentioned in subsections (1) to (3) and
  - (b) the paramount principle mentioned in section 33A that children and other vulnerable members of the community must be protected.

## Transport Operations (Passenger Transport) Regulation Act 2005

### Section 62 Accept Hirings

- (1) The driver of a taxi available for hire must not refuse a hiring, including a hiring requested through a relevant administrator, for a destination that is within either of the following-
  - (a) the taxi service area for which the taxi is licenced;
  - (b) 40km of the pick up point.

**Maximum** Penalty – 20 penalty units (\$2000)

### Section 62A Requirements about access to continuously operating booking service.

- (3) The driver of a taxi must not use the taxi under the taxi service licence unless-
  - (a) a booking receiver that is in working condition is in the taxi and
  - (b) the booking receiver is connected to the relevant booking dispatcher.

**Maximum penalty** – 20 penalty units (\$2000)

## Fact Sheet: Overview of Amendments to Transport Operations (Passenger Transport) Regulation 2005 Affecting the Taxi Industry

*NOTE: The amendments to the Transport Operations (Passenger Transport) Regulation 2005 (TOPTR) will only apply to taxi operators and drivers where taxis operate in metered taxi service areas. Exempt taxi service areas will not be affected by the changes*

### Commencement

This regulation commences on 30 May 2008.

### Obligations of Operators

The operator must keep a booking receiver that is in working condition in the taxi to be used to provide the taxi service

**[Maximum penalty – 20 penalty units. Penalty infringement notice value \$150]**

### Obligations of Taxi Drivers

1. Section 62 of TOPTR will be amended to require the driver of a taxi to accept all hiring's that are requested through a relevant administrator. Therefore, if a driver receives a booking from the taxi booking company with whom they are affiliated it will now be illegal for the driver to refuse that booking, unless this booking is not within either of the following, as currently stipulated within s 62 of the Transport Operations (Passenger Transport) Regulation 2005;

a. The taxi service area for which the taxi is licensed;

b. 40km of the pick up point.

**[Maximum penalty – 20 penalty units. Penalty infringement notice value \$150]**

2. The driver of a taxi will be prohibited from providing a taxi service unless there is a booking receiver that is in working condition within the taxi. Therefore, drivers will be required to test the in-car booking dispatch prior to beginning each shift to ensure it is in working condition. If this is not the case the driver will be expected to notify their operator or risk the prescribed penalty.

**[Maximum penalty – 20 penalty units. Penalty infringement notice value \$150]**

3. The driver of a taxi will be prohibited from providing a taxi service unless their in-car booking receiver is connected to the relevant booking despatcher. Therefore, drivers will be required to at all times be connected to their dispatch system with whom they are affiliated. In contract areas, this will be the relevant contract holder and in metered, non-contract areas this will be the booking despatcher that provides the dispatch service for a particular area.

**[Maximum penalty – 20 penalty units. Penalty infringement notice value \$150]**

4. The driver of a taxi, following the conclusion of a taxi service\* will be required to reset the taximeter to remove the record of the fare amount and consequently appear vacant and available for hire.

\*Once payment has been concluded and all business relating to that trip has been concluded

**[Maximum penalty – 20 penalty units. Penalty infringement notice value \$150]**

### Obligation of Taxi Booking Company's and Relevant Booking Despatchers

While the amendments will not place any requirements on taxi booking despatchers, these organisations will still play an important role in the implementation of the changes. Taxi booking despatchers will play a key role in supporting Queensland Transport to ensure compliance with the amendments. Relevant data may be requested by Queensland Transport from time to time or provided by a taxi booking despatcher to assist in any investigations being undertaken. Queensland Transport compliance will continue to work with the taxi industry regarding compliance and enforcement of these changes.

**From:** [Tony Hunter](#)  
**To:** [Infrastructure, Planning and Natural Resources Committee](#)  
**Subject:** UBER drivers penalty submission  
**Date:** Tuesday, 20 October 2015 11:53:59 AM  
**Attachments:** [UBER.pdf](#)  
[Attachment 1.doc](#)

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To whom it may concern,

I make this submission not only as a very concerned member of the Queensland Taxi community but as a very concerned Australian & Queenslander.

I am now 60 years old & I work in the Qld Taxi industry in Mid management and have done for some time. In Mid 2013 my wife & I decided after much thought, to mortgage our almost paid off home and buy a Brisbane Maxi Taxi licence. It cost \$345,000 & over \$10,000 in Qld stamp duty on top and is currently leased for \$1850 per month. It is leased for 3 years up to Mid 2016. I recently had surgery to remove a growth from the back of my neck which is currently under forensic analysis. If we have to sell our house and downsize we would have to sell the Taxi licence. The only recent (6 months) Maxi Taxi sale that I am aware of sold for \$295,000 & there are NO new enquires because of the uncertainty created by the UBER situation. No one is buying.

It would seem that we no longer need governments to make or enforce laws. Just get an effective social media campaign going and the mainstream media will lap it up. It doesn't matter whether the activity is legal. The main problem is the penalties for breaching the Qld laws about taxi provision are weak. Sale of Tobacco & Alcohol, though legal products, are heavily regulated and severe penalties are enforced for breaches. The attached file details what I maintain are legitimate reasons for stamping out UBER. Having a review in 10 months is fine – in the meantime UBER is operating Illegally & I would implore the Qld Government to take stern action and increase all penalties substantially to make their operation unviable and prosecute those conspiring to circumvent QLD law. Let them make a legal submission to join the Qld Transport system. They won't, because their whole business model is based on illegality to circumvent costs. All the illegal profits are then going overseas.

This must be obvious to anyone who looks at this situation logically.

There is a great deal of misinformation & disinformation from UBER which the media broadcast verbatim. There is comment from ill-informed commentators who feel they must make a comment and take a side on every issue without any scrutiny or research. ALL information about their operation comes from UBER itself – no confirmation from any other source (there is none available) before the media reports it. According to Uber it's worth billions, is cheaper, safer, faster etc. etc. it's all propaganda to make the media & some government members fearful of dissenting. Everybody's saying it so it must be right! Cocaine in Colombia is a billion dollar industry so we better allow it. Is this our rationale now?

I have intimate knowledge of Taxi industry workings & modus operandi. I have now worked for both major Brisbane companies and have/had close ties with the Transport Dept. I would welcome the opportunity to provide additional factual detail on this matter to the powers that be who are deciding my and many others financial and mental future. This has caused GREAT angst to myself, my family & I am sure thousands of others who are in the same and similar positions. Please help us

Yours Sincerely

Anthony Robert Hunter