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To: [Infrastructure, Planning and Natural Resources Committee](#)
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Subject: Submission re UBER taxi service
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Good morning

I wanted to write some comments about UBER and the effects on Queensland.

My parents worked hard all their life and saved like crazy to have a nest egg to retire with. My Mother used the money saved from a lifetime of hard work and sacrifice to purchase 3 taxi licences. She is comfortable but in no way would I say she is rich. She now faces the value of licences being devalued but hundreds of thousands of dollars.

A. UBER AS AN INDUSTRY DISRUPTOR

It is unfair on all the hard working taxi drivers, associated employees and licence owners, that their income and retirement savings can be eroded by a company that has entered our country and totally ignore our laws and wreck thousands of lives. If the government backs down on this I believe that no government licensed industry is safe.

1. What's to stop an un-licenced bank trading in Australia
2. We could have un-licenced tax agents preparing tax returns from India etc. (note: they are basically already doing this)
3. Who needs to be a licenced financial planner.... They could be internet based and operate from Thailand etc.
4. Why do we need to pay income tax.... Google and Apple don't so why should anyone.

And The list goes on.... UBER is an example of digital disruption that is predicted to cost millions of jobs worldwide. We need to have an action plan on how to deal with these disruptions. The world is changing faster than Governments and policy makers can deal with.

B. SLICING UP TAXI TAKINGS INTO SMALLER PIECES

I am a tax agent and have prepared the tax returns for some taxi drivers over the years. I would say that most drivers don't earn a substantial income(between \$30, 000 to \$60,000pa) Thus allowing another entrant into the market would mean taxi drivers would need to share takings with more drivers so their income will reduce making it unviable for many drivers UBER might be attractive because it's cheaper than licenced taxis and they may be more available but this is because they are not competing on the same playing field. Licenced taxi operators are required to pay fees to the state government each year and many pay a monthly licence fee for the right to use a taxi licence. Currently the monthly licence lease fee is between \$2500 to \$3000 per month, per licence.

C. TAXES STAY IN AUSTRALIA

Licenced taxi operators pay tax in Australia which includes, GST, Income tax, stamp duty on licence transfers, capital gains tax, fuel taxes.

Uber on the other hand is a foreign owned company that will probably report low profits in

Australia and pay very little income tax in Australia. Thus the Australian governments will miss out on millions of dollars in revenue each year. Furthermore some employees in the industry and some licence owners will be forced onto welfare like newstart and age pensions because of the lost income from the taxi industry which will put further pressure on government budgets.

D. SAFETY OF CARS

The vehicles used by licenced operators are regularly check and must be changed regularly. Whereas UBER appears to be self-regulating the age and quality of the vehicles. Thus the safety of the travelling public could be at risk when a passenger boards an un-licenced vehicle.

E. WHERE DO PASSENGERS STAND LEGALLY

What happens when car is involved in an accident with a passenger, without a passenger or a pedestrian gets hurt when the vehicle has a passenger or without a passenger on board, etc. Attached is a link to a website in the USA that deals with some of these issues (from the USA point, but they are still relevant in Australia) - <http://www.ohiotiger.com/uber-crashes-law>

F. POSSIBLE LEGAL ACTION

The government is opening itself up to a potential law suit from Taxi drivers and licence owners for loss of income and loss of asset value. The state government has made hundreds of millions of dollars by regulating the taxi industry and selling licences each year.... And now it wants to turn its back to those people that trusted and invested in the system they created.

G. ADVERTISING

If UBER is operating illegally why are they allowed to advertise on the radio and other media.... If I want to operate as an unlicensed tax agent I can't advertise. If I want to sell illegal drugs I can't post an ad in the local paper..... so why are they allowed to advertise.

In other countries the entrance of UBER has been met with violence and we have just seen some violence in Brisbane recently.... I think there could be more to come if Governments give in to this.

POSSIBLE SOLUTION

- Insist that Uber is a licensed taxi operator too That must only operate using official taxi licences. This would mean they are in direct competition with existing taxi operators like Black & white & Yellow cabs. I think the Industry could handle more competition rather than just having 2 main operators in Queensland as long as everyone operates from the same level playing field. They would need to operate using a taxi licence plate.
- If the government wants to deregulate the industry and remove the licences then the government must compensate each taxi licence owner the full value of the licence

based on the value of a licence before the effects of UBER devalued licences.

- Partially allowing UBER to operate will dilute income for taxi drivers. Furthermore licenced taxi drivers won't be able to compete against unlicensed operators because of the difference in cost structures.
- Deregulate the industry, remove licences and compensate licence owners for the full value of the licence
- Given UBER is a "ride sharing app" like car-pooling allow them operate but make it illegal to charge a fee for the ride

Sam Greco

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