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**SUBMISSION**

For the attention of: Mr Andrew Fraser, Chairman

Dear Mr Fraser,

My husband and I own two Cairns taxis and manage 17 taxis which run under the Black & White Taxi banner in Cairns.

I have received a copy of an email sent you by a colleague, Mr Bob Allaway, and I wish to reiterate Mr Allaway's concerns regarding fuel pricing in the Cairns region.

1. Speaking directly to the cost of fuel in the Cairns area, the projected fuel costs for our two taxis, if current pricing remains relatively stable, will realise an increase of 27.5% for financial year ending 30/06/06 over the previous financial year. Over the same period, fares and tariffs, which are set by Government as part of the Public transport system, have risen 3%. It is obvious that such inequalities in costs cannot be sustainable.

In addition, in sympathy to the increased fuel costs, all associated mechanical costs have increased an average of 14.3% which directly related to parts, freight for parts, mechanical labour costs, a direct flow on effect of increased fuel prices.

2. Our company has been looking at the expected fuel efficiencies associated with the hybrid technology of vehicles, such as the Toyota Prius, for the past three years, in fact, since its introduction to the Australian market. However, in 2003 the efficiencies that we would have achieved in fuel economies would have been negated by the initial capital purchase of the Prius versus our most common taxi vehicle, Toyota Camry/Toyota Camry Altise, a difference of more than \$15,000. (\$38,000 Prius versus \$23,000 Camry/\$25,000 Altise.)

Therefore, there was little or no incentive then to consider more fuel efficient and therefore cost beneficial vehicle options. However, as fuel costs this past 15 months have continued to increase, and with the cost of oil internationally expected to continue to escalate as China and India's middle classes move towards a more modern economy and consumerism behaviour, even Blind Freddy can see that the writing is on the wall for oil priced fuel, and prices will never fall significantly, and stocks will be depleted (some figures say 30 years, some 50 years, others are quoting less than 5 years!)

3. Therefore, if the Federal Government is serious about helping the Australian Small Business sector and wishes to demonstrate some sympathy with the environmental issues such as global warming and is keen to encourage Australians to utilise wherever possible public transport, it needs to consider all options that will assist the transition towards a better public transport outcome and that impacts positively on the economic and environmental fronts as well, by encouraging more small

businesses and taxi and fleet owner/operators to operate more fuel efficient and less pollutant generating vehicles, such as the Toyota Hybrid.

I understand that the Australian Toyota vehicle sales only represent about 1% of Toyota's markets internationally. However, The Toyota Prius is now in its third year, the bugs, so to speak, have been ironed out, the fuel efficiency has been proved beyond a shadow of a doubt, the environment benefits from lower fuel emissions. All that remains is for the Government to get behind taxi owners and operators and allow us to purchase the hybrid technology at a similar cost that the State Governments have been able to negotiate their fleet vehicle purchases of the Prius. The government purchases of the Prius have been about reducing overheads and achieving economies. The public transport system operated via Taxis throughout Queensland should operate in the same manner and we need the support of Governments, at both State and Federal levels, to assist in the achievement of similar savings by affording Taxi Owners and Operators fleet discounts or sales tax incentives or capital purchase tax breaks.

4. E10 should also be more enthusiastically encouraged and promoted as an alternative fuel and its availability radically improved so as to achieve better economic and environmental outcomes.

Mr Fraser, I believe strongly that the economic future of Australia is just as intrinsically associated with better practices and better use of resources as it is in the need for all Australians to move towards a more environmentally-aware consciousness.

Thank you for taking the time to read my email and I look forward to the outcome of your review.

Yours faithfully

Robyn Bakker