

Dunnit Holdings Pty Ltd Trading As

TOTAL TAXI MANAGEMENT CAIRNS

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ABN



06th April, 2017

Research Director
Public Works and Utilities Committee
Parliament House
George Street
Brisbane Qld 4000

Email: PWUC@parliament.qld.gov.au

Dear Sir/Madam,

RE: SUBMISSION TO THE TRANSPORT AND OTHER LEGISLATION (PERSONALISED TRANSPORT REFORM) AMENDMENT BILL 2017

We respectfully request the Public Works and Utilities Committee to consider our submission in response to their investigation of the *Transport and Other Legislation (Personalised Transport Reform) Amendment Bill 2017* and *Transport and Other Legislation (Personalised Transport Reform) Amendment Regulation 2017* tabled in Queensland Parliament on 21st March, 2017.

This submission examines and comments on elements of the Bill and Regulations that seek to amend the *Transport Operations (Passenger Transport) Act 1994* to implement reforms proposed in *Queensland Personalised Transport Horizon Stage 2* and discusses the ramifications and potential economic impacts the proposed amendments are likely to have on regional areas of Queensland, in particular regional cities such as Cairns, our area of operations.

My husband and I own two (2) Queensland taxi service licences (TSL), lease another TSL and manage a further 16 TSLs. One of our TSLs is owned by our SMSF and the other in an incorporated company.

After having survived the 1990's Australian recession and double-digit inflation and interest rates, we seriously considered our financial options and decided to invest in the taxi industry which was fully regulated by the Queensland government.

Since entering the taxi industry in 1997, our business focus has been to build and manage a successful business within the legal and regulatory framework of the Queensland taxi industry and to work towards a retirement where we would not be required to rely upon a government pension.

Having been in the financial services industry up to 1999, we were fully aware of the impending government budget shortfall looming on the horizon for the 'baby-boomer' generation.

With hindsight, investing in a government regulated and monitored industry was a flawed decision as evidenced by the current proposed Bill and Regulations.

Since the illegal intrusion in to the Queensland taxi industry in 2015 by online taxi booking operators and booked hire services, we have seen the value of Queensland TSLs plummet. In our own instance, the

open market previously valued Cairns TSLs at around \$550,000 in 2015. By 2017, these same TSLs now cannot be sold and have an arbitrary asset value of around \$100,000 by the 4 largest Australian banks.

Imagine borrowing \$500,000 from a bank and at the end of the 10 year business loan period being advised that the asset is now valued at around 20% of its original value? Gut wrenching to say the least. Of course, the banks do not lose out because generally the borrowers have their other major assets as collateral for the loans, such as their own homes.

It is little wonder that many Queensland taxi licence owners have declared bankruptcy, lost their businesses and homes and reverted from being tax payers and employers to Centrelink welfare recipients. In some instances, there are reports of suicides.

The financial pressure is immense. Many taxi licence owners also employ their family members as drivers and administration staff. These jobs are also jeopardised or may be no longer viable. Considering the unemployment statistics at present, the likelihood of these people being able to find other permanent work is questionable. Perhaps the Committee members can start to see why the Queensland government's \$20,000 licence assistance payment is paltry, insulting, blind to the actual operating conditions and market forces of the Queensland taxi industry and, therefore, inadequate in the extreme.

In our own regional city, Cairns, our major business is Tourism. People from around the world and around Australia come to explore our region's magnificent rainforests and the priceless Great Barrier Reef, one of Australia's major tourism draw cards, and considered one of the world's greatest treasures.

Recent adverse global attention on the Queensland and Australian governments' management of the Great Barrier Reef Marine Park, in general, raises concerns as to what questions have been raised by the Queensland Government, and by Tourism and Transport Ministers specifically, to consider and examine the impact from increased traffic spikes fuelled by booked hire service and online taxi operator vehicles.

The international media will quickly condemn any government found to be lax or complicit in the demise or destruction of the Great Barrier Reef and the fall-out in lost tourism income could equally be catastrophic to the Queensland and Australian government economies.

Will the Queensland Government commission an Environmental Impact Assessment into the sustained health of the Great Barrier Reef in light of the millions of extra kilometres' worth of pollution being belched in to regional and capital cities and towns?

Has the Queensland Government conducted a Cost Benefit Analysis using empirical data from other Australian and global jurisdictions on the affects of the accelerated pollution of our local cities and towns, most of which are anthropocentric to the Queensland (and Australian) cultural identity?

As an example, studies in the UK found that, after years of declining numbers of cars and vans on Westminster's main roads, new data calculated for the Standard by Department for Transport (DfT) statisticians reveals they are rising again.

The DfT figures show that after 2012 — Uber's London launch year — car numbers rose in Westminster and the City, and so did the number of online order delivery vans. In all, about 370 million car and taxi miles were driven in Westminster in 2012, which went up above 383 million miles in 2015. Transport for London also says a "surge" in Congestion Charge-exempt private hire minicabs, which includes ride-

share giant Uber, from 59,000 in 2009/10 to more than 100,000 now, has “led to growing traffic congestion”.

In 2015, the New York Taxi & Limousine Commission (NYTLC) identified the need to cap ridesharing vehicle numbers due to congestion and driver earnings issues. This was temporarily postponed by the Mayor but remains an active policy position. Transport for London is also currently investigating capping mini-cab (which includes “ridesharing”) licences.

Globally, the explosive growth in booked hire service and online taxi operator vehicles has led to expanding concerns of their effect on traffic congestion, air quality, illegal parking and other issues. For example, the City of London reported that in 2015 police were receiving reports of rape or assault tied to booked hire service drivers at a rate of one every 11 days.

This scenario is being replicated city after city, country and country. Queensland will not be exempt.

Summary

The proposed Bill and Regulations are poorly constructed and fatally flawed, do not deliver on the reforms identified by the Government, will substantially and irrevocably increase the regulatory and enforcement costs for the Queensland Budget and have the potential to negatively impact millions of Queenslanders each year.

Principal flaws in the Bill and Regulations include:

- Lack of relevance to the unique personalised transport requirements and preferences of Queenslanders;
- Lack of understanding of the nature, characteristics and operations of booked hire services globally and how they will evolve in Queensland in the short-term;
- Actively undermines and removes the workplace rights of entire sector of workers, exposing them to exploitation and coercion.
- Insufficient protections for passengers and the community from demonstrated exploitation, violence and unethical behaviours of booked hire service providers and drivers.
- Lack of specificity and legal enforceability of new “duties” and “chain of responsibility”
- Lack of appreciation of the likely Fiscal and Budget Impacts of removal of Service Contracts and the shift of enforcement and policing responsibilities to the State Government

The Queensland Department of Transport and Main Roads has proven itself incapable of effectively regulating the Queensland personalised transport sector over the past 2 years.

With the regulatory and enforcement burden on the Department expected to increase by up to 1000% over the next five (5) years (owing to expected vehicle growth, vehicle identification challenges and the repeal of Service Contracts), the Queensland Government must establish an independent Queensland Personalised Transport Commission.

This approach recognises the increasing complexity and pressures of regulating the personalised transport sector and represents global best practice, having been implemented in major markets like New York, London, New South Wales and Victoria.

The independent Personalised Transport Commission must have its own enabling legislation and full control of:

- Licensing and registration of all personalised transport vehicles and drivers
- The ability to set classes of CTP for personalised transport vehicles
- Compliance and enforcement of its own legislation
- Litigation of challenges to enforcement orders under its own legislation
- Policy branch to amend its own legislation if necessary

If an independent Commission is not established, then the specific details of the proposed Bill and Regulation are irrelevant. A responsive regulatory regime supported by effective enforcement is essential if the failings of the past two (2) years are to be avoided in the future.

The proposed reforms lack clear objectives and this is reflected in the Bill and Regulations. Any personalised transport policy, legislative and regulatory framework in Queensland should guarantee:

- Reliable and safe transport 24/7
- Access to personalised transport services wherever they may be in Queensland, not just metro Brisbane or South East Queensland
- Accountability of service providers to ensure that customers are not exploited in any way
- Fair and equitable treatment of all providers of personalised transport services

The proposed Bill and Regulations do not guarantee these critical policy objectives and potentially risk the welfare of some of Queensland's most vulnerable.

To address the fatal flaws of the Bill and Regulations and ensure all Queenslanders have access to reliable, safe and accountable personalised transport in a level playing field, a number of fundamental changes are required. The following points are of equal importance and in no particular order:

1. Establish an independent Personalised Transport Commission with legislative amendment.
2. Increase licence fees for Booked Hire Service Drivers and Authorised Entities to help fund expected increases in regulatory and enforcement costs for Government and to better reflect the level of "trust" being placed on licence holders.
3. All drivers must have an ABN and be registered for GST before receiving a Drivers Authorisation.
4. The Government must establish a process for managing the risks of multiple affiliations by drivers in terms of both "chain of responsibility" and fatigue management. This includes drivers operating across both personalised transport and other transport (i.e. truck, bus) sectors.
5. Fully integrate taxis into the GoCard public transport network in the short-term.
6. Clearly define what constitutes a "hail" and "touting".
7. Expressly prohibit the establishment and operation of Booked Hire Service pick up/and drop off zones, on public and private land, which represent pseudo taxi ranks.
8. Establish and maintain a register of drivers that have been disaffiliated or removed from platforms to prevent drivers from simply shifting to a new platform.

9. Establish clear and enforceable requirements for Government access to all data related to the delivery of personalised transport services in Queensland.
10. Expressly identify Police Check requirements in the Bill for all personalised transport drivers as part of Driver Authorization approval.
11. Maintain the capacity of the Minister to enter into Service Contracts at their discretion to ensure the Government has the capacity to respond quickly, and at the lowest cost, to changing or unique circumstances without the need for regulatory or legislative changes.
12. All drivers must have an ABN and be registered for GST before receiving a Drivers Authorisation.
13. The Government must establish a process for managing the risks of multiple affiliations by drivers in terms of both “chain of responsibility” and fatigue management. This includes drivers operating across both personalised transport and other transport (i.e. truck, bus) sectors.
14. Fully integrate taxis into the GoCard public transport network in the short-term.
15. Clearly define what constitutes a “hail” and “touting”.
16. Expressly prohibit the establishment and operation of Booked Hire Service pick up/and drop off zones, on public and private land, which represent pseudo taxi ranks.
17. Establish and maintain a register of drivers that have been disaffiliated or removed from platforms to prevent drivers from simply shifting to a new platform.
18. Establish clear and enforceable requirements for Government access to all data related to the delivery of personalised transport services in Queensland.
19. Expressly identify Police Check requirements in the Bill for all personalised transport drivers as part of Driver Authorization approval.
20. Maintain the capacity of the Minister to enter into Service Contracts at their discretion to ensure the Government has the capacity to respond quickly, and at the lowest cost, to changing or unique circumstances without the need for regulatory or legislative changes.

A broader social lens should be applied to the costs to the individual, specific regional communities, such as Cairns, as well as Metropolitan areas, of any proposed personalised transport Bill and Regulations so that the overall impacts are not detrimental to the social and economic well-being of regional communities and their people.

In every instance and for every issue, the “Fairness Test” should be applied to ensure “A Fair Go” for everyone involved.

Yours faithfully,

Robyn and Nic Bakker
Directors
Dunnit Holdings Pty Ltd
T/A Total Taxi Management Cairns
Queensland Taxi Manager of the Year 2012

Taxi owners since 1997