

From: [REDACTED]
To: [Public Works and Utilities Committee](#)
Subject: Submission - Personalised Transport Proposed Reforms
Date: Monday, 10 April 2017 3:15:12 PM

To: All Members of the Public Works and Utilities Committee

Thank you for the opportunity to provide this submission in response to the proposed reforms as outlined in Stage 2 of *Queensland Personalised Transport Horizon*.

I am a conventional taxi licence owner of 29 years and my husband and I have always operated our single taxi licence in Townsville; my husband, aged 72, retired from driving in 2016 due to ill-health. In April 2014 we actually put our licence on the market, we wanted to retire, but was unable to sell -- our timing was bad, Uber had just arrived illegally. After considering whether we would lease our licence or to have our car managed we decided that the best option financially was to continue operating it ourselves.

In relation to the proposed reforms, generally, they do not produce the much mooted level playing field for all providers of personalised transport services. The following addresses some of my issues with the reforms:

SAFETY CAMERAS

In the name of safety for passengers, only taxis require *approved* mandatory safety cameras and the three reasons given for this are simply discriminatory against taxis, i.e., (a) driver and passenger anonymity (risk of assault); (b) cash transactions (risk of theft); and (c) point of payment is during the journey (risk of fare evasion). A safety camera is required if a service ticks one of these, taxis tick all three! The overwhelming majority of ride-booking services will not tick any boxes. The key requiring taxis to have cameras apparently is that they provide services to *anonymous* passengers. However, I question whether passengers of personalised transport services other than taxis feel reassured of their safety under (a) above (risk of assault) because their name is recorded electronically somewhere deeming them not anonymous. Further, visual evidence that the Courts usually rely on in assault charges apparently is irrelevant according to the reforms.

All providers of personalised transport services should have safety cameras fitted for the benefit and safety of their passengers.

COMPULSORY THIRD PARTY INSURANCE

On page 8 of *Queensland's Personalised Transport Horizon* in relation to Compulsory Third Party insurance it is stated that "all vehicles will be required to have the correct class of Compulsory Third Party insurance (CTP) which reflects the claims experience of that class" and that "taxis will remain in a separate class and a new class will be created for limousines and booked hire vehicles".

The decision to leave taxis in their own Class, namely Class 3 for sedans, is discriminatory. As stated above, I am in my 29th year of operating a taxi and in that time I have NOT had one single CTP claim against any of the vehicles that I have owned and operated. CTP insurance for commercial vehicles needs a complete overhaul along with the MAIC.

All personalised transport services should be placed in the same Class. Limousines and all ride-booking services have the potential to operate 24/7. In the case of ride-booking services two or more people could easily operate one vehicle around the clock. Also, the public are aware through the media and social media that ride-booking vehicles have already been involved in a number of at-fault accidents.

For your information I have to pay \$6,265 pa for CTP insurance (Class 3) while it is proposed that other personalised transport service operators may pay around \$600 pa. Why should I have to pay TEN TIMES MORE? This is far from a level playing field!

TAXI LICENSING

It is stated in the paper *Queensland's Personalised Transport Horizon* on page 3 under the heading "Practical

licensing arrangements", that "no further perpetual licences will be issued by government, existing licences will continue to be transferable, able to be leased, and renewable for periods of up to five years at a time". It then goes on to say that "any new taxi licences will be made available through public offer, will not be transferable but will be able to be leased" and that the government does not intend to release any new licenses until at least 2018.

On the matter of issuing new licences, I would like to refer to the *Report on Investigation into the Taxi Industry in Queensland by the Queensland Workplace Rights Ombudsman*, 23 June 2010, under the section "Licences (Market Entry)", page 57. The Ombudsman recommended an additional clause be added to the then *Passenger Transport Act 1994* (Section 36) that prior to issuing extra licences in an area that "the financial impact on entities already authorised to provide the service would be negligible." The Committee should consider what criteria the government has in place to trigger the issuing of new taxi licences taking into account the other forms of personalised transport now available; I suspect, at this stage, it has none. I am suspicious of the government's motives in relation to the statement that no new licences could be expected before 2018. Are we going to see additional taxi licences available for lease prior to next April's Commonwealth Games with no consideration for the viability of the industry? It should be noted that the government has no control over the the number of vehicles operating under ride booking services.

Having two types of licensing, i.e., perpetual and leased licences, within the industry is not acceptable; this, no doubt, will cause angst within the taxi industry. Incidentally, the industry has not been informed of the reason for the change in policy so one can only speculate. The days of investing in the taxi industry are over. Right now, who would want to buy my licence (or maybe even lease it) when one could most likely lease an extremely cheap version direct from the government with no strings attached? At time of writing, leased perpetual licences in Townsville are being handed back to their owners due to a severe downturn in turnovers. I know that some other Queensland centres are also experiencing similar problems. The government has signalled its new preference is for leasing licences and I have accepted that but do not accept that this move leaves perpetual licences in limbo. It is likely that perpetual licence values will never return to their pre-personalised transport reform days, the asset will slowly diminish. Is that the government's plan?

Whilst the government states that perpetual licences can still be sold, the reality is that a seller needs to find a buyer willing to pay a reasonable price for the asset. I am not privy to what has recently been traded but I would suggest that any transfer prices would not be what most of us would consider 'reasonable'. The message I hear is that the banks are not interested in lending for licences nor accepting licences as security. Licence holders like myself who are not willing to walk away without fair compensation will continue to operate.. The government's transition payment of \$20k to licence holders is a totally inadequate form of compensation in relation to the damage done to our businesses and capital investment.

I would like to remind the Committee that the taxi industry did not create itself -- IT WAS CREATED AS A REGULATED MONOPOLY BY THE GOVERNMENT. Considering how the industry evolved, I advocate that THE ONLY MORAL AND ETHICAL ACTION THE GOVERNMENT CAN TAKE IS TO BUY BACK ALL PERPETUAL LICENCES AND RE-RELEASE THEM AS LEASED LICENCES. How the government funds the buy-back is not the concern of the licence holders; it is the government's responsibility to find a way as the current situation has been caused by its own making when it restructured the market by implementing rapid, populist policies. In the Townsville taxi community I know there is a lot of support for a buy-back scheme to be implemented; I suspect there would be similar support in other service areas. [Note: It is not lost on licence holders that the government finds \$1bn pa to lease its headquarters in Brisbane!]

May I suggest that a reasonable buy-back figure would be at least 80% of the market value of a conventional or wheelchair accessible licence based on transfers in the various taxi service areas prior to the illegal arrival of Uber around April/May 2014. [Note: For your information, DTMR documents reveal that the government sold a new conventional licence in the Sunshine Coast taxi service area for \$466,900 on 6 August 2013; and a conventional licence was transferred in the Brisbane area on 15 July 2016 for \$215k, less than 50% of its value in 2014.]

LICENSING OTHER THAN TAXIS

The only cost for drivers of ride-booking services is an annual licence fee of \$237.26, i.e., \$4.56 per week OR 65 cents per day! It is very hard to reason with any organisation that claims it is working towards a level playing field when it arrives at figures such as this; apart from their licence taxis still have to pay an annual

renewal fee of \$171.40. Unfortunately, all taxi licences are not operated 24/7 due to a shortage of drivers leaving many vehicles idle at various times of the week, day and night, including peak demand periods. Simply, no one wants to be a taxi driver today; the decline started when the government introduced RTOs as the costs were prohibitive for many. We are all now paying the price for this bad policy.

Not only does a more realistic licence fee have to be imposed for ride-booking services BUT a fee must be imposed on ALL OTHER ORGANISATIONS OR BUSINESSES which offer personalised transport in one form or another. Currently, the government is seen to be pandering to all organisations and businesses that offer personalised transport other than taxis.

CONCLUSION

In conclusion, the personal stress and hardship that the government has inflicted on many individuals in the taxi industry through their biased inconsiderate actions in an attempt to decimate the industry is immeasurable; notwithstanding the fact that many of these same individuals have provided a steady revenue for the government over a number of decades in the form of purchasing new licences, by paying stamp duty on licence transfers and paying other annual taxi-related charges. Simply, the government has acted unconscionably towards its licence holders and just confirms the long held belief in many quarters that the industry was treated by past and present governments as its 'cash cow'.

Like many other licence holders, we have no superannuation, which happens to come with tax relief unlike owning an 'asset' like a taxi licence, because paying off our licence (and house) was our financial priority in 1988, at a time when bank interest soared to around 20%. We are just an ordinary couple who had a young family in our early taxi years who worked towards being self-sufficient in our retirement instead of being a burden on the public purse which is what all governments want their constituents to achieve if possible. Right now this government has stripped us of our 'superannuation'. Ask yourself how would you feel if the government changed the rules and you lost your 'super'?

Please recommend to the parliament that a buy-back scheme for perpetual licences be placed on the agenda for future discussion; in the meantime, please consider my comments for a level playing field in the areas of CTP, safety cameras and licensing fees.

Thank you.

Valerie Hicks, [REDACTED]