

From Gabriele Sandona

I have no direct involvement in the taxi industry, except that my brother in law runs a Taxi base. Back in 2007, my brother in law, convinced my mother in law to put up her house as collateral so as his wife and her sister, my wife could owner operate taxis together. His taxi base runs and operates a large fleet of taxis, both Black and White and Yellow. They lease plates from other owners, and supply vehicles and drivers. My wife's mum thought this was a great venture, bringing the sisters even closer, working together, and over time through her starting help, better their lifestyle.

We did not invest blindly, we did our due diligence. Considered how taxis performed as an asset class, way back to expo 88. Back then, a plate was selling for around \$80,000, and an average four-bedroom house was of a similar value, both asset classes up to 2007 had kept pace with each other, although growth spurts occurred at different times, no reason to think in the future this would not also hold true. Where property was in most part negatively geared, Taxis operated, as owner operator, the asset class was considerably positively geared. Added to this, the asset class was secure, as the Government maintained control via a tender process release of plates to ensure there was no oversupply, thereby creating demand and maintaining price valuation. Fare pricing was also set by the Government, plus numerous other measures to ensure vehicle safety, driver training and so on. Emphasis here is Government controlled and regulated the taxi industry.

It's now 2013 and the sisters now have 4 taxi plates. The banks are more than happy to loan as the value of plates from 2007 had grown from \$400,000 to \$530,000, and after all expenses, principal on each plate was being reduced considerably each year. Everyone happy.

In 2014, the storm clouds started gathering in the form of foreign corporation, UBER. Determined to muscle in, at whatever means, with deep pockets and complete disregard for the rule of law. UBER has an end game, replace the taxi industry.

The Qld Government, had no answer, they were unprepared, for the well-rehearsed strategic attack from UBER. They allowed UBER to operate with impunity, becoming entrenched as a means of transport and slowly winning over the minds off the public, with cheaper fares. The Government decided something needed to be legislated, so as UBER wasn't seen to be thumbing its nose at the law, all the while UBER continued to operate.

The Government consulted numerous interested parties to the taxi industry, to ascertain how to deal with the issue of ride sharing. Taxi Council Queensland, and numerous other bodies and individuals submitted proposals to the Government, at the Government's request, to reform the taxi industry. I believe this was to be seen to placate the different interested parties, but within weeks of the submission close off date, the decision was already made up, UBER had already pressed its marketing campaign and won Government over. Furthermore, the Government body to ensure smooth transition of the new ride share bill, came up with nothing new, from the many proposed submissions, and near literally copied the NSW Government approach to deal with the matter, stage 1.

As part of stage 2 legislation to transition to a fairer system, between traditional taxis and ride share, the Queensland Government, was rumoured to introduce a \$600.00 annual license fee per ride share operator, but UBER threatened the Government it would leave Queensland and the Government rolled over and lowered the license fee to \$237.26.

At present, as I am writing this, stage 2 has not yet been legislated. It's supposed to be about being fair, making the traditional taxi industry able to compete with ride share. The costs to operate a traditional taxi are so much more and have not been addressed. The only advantage Taxis have, being pickups from taxi ranks (often waiting long periods of time) and being able to be hailed.

Taxi registrations were around \$6,500.00, now \$5529.40, Insurance \$2,300.00 per vehicle per year. A ride share vehicle registration depending on vehicle around \$800.00 and insurance \$600.00 per year. A taxi vehicle due to security of unknown fare pickup, must have security cameras, fare meter, braille identification for the near sighted or blind, livery colours for taxi Black & White etc. and so on.

The Government has been sold a lie. In the short term, the Government will see ride share operators earning extra dollars. Soon, 5-10 years, UBER, will operate bases of self-driving cars. UBER will pay for mechanics, servicing and repairs, but it ends there. A foreign mega corporation will have coerced the government to suffocate the taxi industry into submission, and UBER will take its profits happily overseas. The Government will in effect have replaced a home-grown taxi industry, owned and operated by Queensland people, where the benefits of ownership and income remains in Australia, to a foreign cooperation.

For my part, my wife with her sister, have now a large financial burden, they can no longer unload and clear the debt owed to the bank. The taxi receipts are down over 33%, assets have already been sold off to keep the bank at bay, but the bank is circling. I am indirectly drawn into this, as I own our house with my wife, who is guarantor for the debt with her sister, and I now stand to lose a lifetime of work and sacrifice.

I have had to step up and purchase the mother in laws property, to ensure as the sisters cashflow worsened, the bank would not take it away, the "jewel in the crown" of the sister's assets, as the bank referred to it. A lifetime of work on her part, as an immigrant working in the Golden Circle Cannery. Now for my good deed, for her peace of mind in her sunset years my own financial stability is in jeopardy.

I feel so let down, betrayed by the Government. There is a knock effect here. I may lose my house, or must carry and extra financial debt to pass onto the children one day. If forced to sell the flats, highly mortgaged, all elderly tenants, they will surely be kicked out as the property is in high demand by developers.

The two sisters don't talk to each other, other than to deal with cashflow issues. My wife's sister doesn't speak or visit her elderly mother any more, or see any of her nephews and nieces. She carries the guilt for bringing us into this position, and can't face us, not her fault.

My wife and I have personally met with our local MP Ivette D'ath. What I took away from that meeting was, the taxi operators have made money for many years, and this is what the public want, ride share, no empathy for our dire situation. Ivette said, "I'll send you some fact sheets", I'm still waiting.

At different taxi meetings I have attended, I hear of the desperate people who couldn't hang on anymore, banks foreclosing, lifetime of work, investment, plans for retirement, children's inheritance, all gone. The ruined businesses, families turning on each other, suicides, divorces, this is on you, the people we elected to represent us. Don't vote on a party line, stand up for your constituents, we are hurting, we are ruined.

Once UBER has majority control, who will step in and regulate the pricing. I have lost faith in our Government, they are too short sighted. Competition will drive pricing down, we have of recent times seen this with power and water. UBER, ride share is the solution! just like the cane toad was the solution for the cane beetle. Reform the current taxi system if you perceive a problem, but I think it's already too late, but then again, the Government of Denmark stood up to UBER, and now they are leaving April 18 2018.

The compensation package put in place, was seriously unrealistic, and in no way near adequate to cover the hardship, financial ruin to come. The Government has used a broad-brush approach to drip feed the taxi industry compensation, with no direct contact, one on one understanding of each person's plight the ramifications of their decision to introduce ride share.

We may need to look to other jobs or investments where possible. But first, the correct course of action was to determine a fair buyback value for each taxi plate, presumably what each taxi plate was last purchased at, at worst enough to pay back the bank loans. I understand a buyback, would be unpalatable with the rest of the non-industry taxi voters, but the Government had the will to impose a 2% levy for cyclone Yasi, not all of Queensland was affected!

In closing, unlike many other businesses, The Government, had an overriding control of the Taxi Industry, and are therefore whom I look to correct the situation. Please, before it is too late, act, speak up for us, irrespective of your political affiliation.

Yours Faithfully

Gabriele Sandona