

Christina Smith

From: [REDACTED]
Sent: Tuesday, 28 May 2019 3:22 PM
To: taxiinquiry
Subject: Our Story

Dear Sir/Madam,

We are happy for our story to be published without us being identified by name.

My name is [REDACTED] and I am a 58 year old taxi driver and operator. Previously I was also a perpetual licence holder, a term which is now obsolete due to the reforms of 2017. Ironic as perpetual was meant to be never ending or changing.

With my wife [REDACTED] we write to you to share our story as to how the Commercial Passenger Vehicle Industry Act 2017 Reforms have affected our business, our family, our well being and the uncertain future that awaits us going forward into retirement.

We have been in the taxi business for over 25 years and I started in the industry all those years ago as a full-time night shift driver.

Taxi driving can be a dangerous job. Slain taxi driver [REDACTED] was a colleague of mine. He was fatally stabbed on the 1st August 2012 and it was my taxi that was then stolen by the murderer and subsequently crashed into a power pole, exploding and incinerating on impact.

At the time, this was shocking and stressful being victims of crime and now although under differing circumstances we have experienced the same sort of emotions during the implementation of the reforms and the subsequent industry it has created. There are others that we know of who have lost family members to suicide due to the circumstances they found themselves in as a result of the reforms.

In 1991 we arrived in Australia with our young son from Communist Russia whereby everything belonged to the Government. There had been a nuclear disaster in Chernobyl some years earlier, the effects of which were still being felt and we were in search of a better and safer life. The year the reforms passed marked the 100 year anniversary whereby the Communist Government forcibly took over the assets of its people.

We feel like this is happened to us and many others in the industry.

The university qualifications we obtained in Russia were recognised in Australia but knowing that this was a land of opportunity and that small business's flourished (unlike in Russia) we decided that long-term starting our own small business would be the way to go.

We believed that a country like Australia, one which we truly thought was the best in the world due to its quality of life, health, education, economic freedom, anti-discrimination laws, protection of civil liberties and political rights, would support us and other migrant small business owners in the future.

I worked hard for many years, drove a taxi at night and we saved up enough money to buy our own perpetual taxi licence as we saw a foreseeable future in it.

It was less expensive to pay for a taxi licence via a loan then to lease one out from an investor. The banks were confident in allowing us to borrow for them and we thought that this would put us on the path of putting our children through school and allow them to attend university and therefore find fulfilling careers which they now have.

Together we integrated ourselves into society, paid our dues, and worked hard whilst accumulating perpetual taxi licences as assets that would allow us to become proud self-funded retirees so we would not be relying on the government for a pension.

We never received or contributed any money to our superannuation as the perpetual taxi licences WERE our superannuation.

*How should we plan for retirement when our super as been taken away from us, not even at market value?
How does it come to having a bank loan for something that has been rendered worthless by the Government (our long-time partner) and has ceased to exist?*

We effectively partnered with the Government and were confident in this life-long union. We thought that the Government would regulate the taxi industry by protecting it in current and future markets, predicating the release of taxi licences on a transparent public interest test and key performance indicators and we as partners would provide transportation services to the people of this great city and state.

Should we have not partnered up with the Government?

Should we have not tried to start a business and reasoned that we could always rely on the Government for a pension?

What sort of message does this send to our children and their children, our grandchildren?

Our very own grandparents sacrificed their lives during the Second World War, like many European migrants defending the democracy and freedom of countries like Australia. Was this all in vain?

As our business starting expanding we were able to acquire more perpetual taxi licences and slowly build a family owned and operated small business. The licences that we were purchased were in the following years: 2002, 2004, 2007, 2008.

The last purchase was a wheelchair-accessible taxi (WAT) licence. We knew that the Government would always take care of its disabled and wheelchair-bound citizens so didn't hesitate in purchasing this licence, despite knowing that set up costs for a WAT are much higher in terms of the vehicle and equipment required and maintenance/repair costs.

With the initial reforms in 2012 the Government decided the industry needed intervention and hired Alan Fels to oversee an inquiry. Someone who was not qualified to do so. While he has moved onto 'overseeing and advising on other industries' the industry started to suffer.

The previously implemented knowledge test was abolished for drivers to accommodate ride sharing drivers whom clearly would of never passed the test. This was done to the detriment of the public. Flooding the market with unlimited licences and allowing unscrupulous individuals who do not know how to operate a small a business or maintain their vehicles in a roadworthy condition was further to detriment of the public and the industry. The Government wants passengers to be safe and our roads less congested, but abolishing the knowledge test and flooding the market with more vehicles seems contradictory in this regard.

On this topic, ride sharing companies operated in Victoria for a prolonged period of time without being regulated. They had a head start to attract customers without paying any licencing or commercial registration fees. They outsmarted the Government and any regulations using stealth technology like Greyball. The Governments attempt to stop them or give the impression that it was in control and attempting to implement their own laws by fining drivers was ridiculous. If the people in power were really adamant in upholding commercial vehicle regulations and protecting the public they could have put a ban on downloading any associated apps in Victoria.

Just because something is gaining popularity among people, particularly the youth of today, doesn't necessarily render it safe nor should it be given a free pass to detriment of those that are following the regulations and laws in place at the time.

We have refinanced our loan a number of times to ease the burden of the repayments. The pain, bitterness, sadness and need for financial assistance and counselling had a profound impact on our physical and mental well being as well as that of our children's.

Irrespective of any compensation, the banks still need their loans to be paid back in full and we will need to somehow continue to pay off our loan for over HALF A MILLION DOLLARS for something that is no longer ours and for something that was taken away from us.

When compensation is offered, shouldn't it be on a case by case basis?

We are in a unique position as we were not investors who bought these licences for a 5 figure sum many many years ago, paid them off and collected rental income.

We operated ALL the licences that we purchased ourselves.

How does someone who purchased their licence for \$30,000 many many years ago receive \$100,000 in compensation for that licence and someone who purchased for \$450,000 ten years ago ALSO get \$100,000 and then \$50,000 for another three irrespective of how much they were purchased for?

Why was it decided that compensation would be paid for four licences and not five or eight or two?

Where was the precedent for the compensation that was offered and which analyst or group of people came up with the figures?

Was there any other state or territory that did this to their citizens?

The compensation provided still requires tax to be paid on it. The public, whom the Government is allegedly trying to protect and keep safe is still paying the \$1 levy for the compensation. There isn't much empathy from the public as they believe they are paying 'greedy licence holders' for their mistakes.

Our children were incredibly saddened by the circumstances that the reforms created and it also had an impact on their day to day quality of life. Our son, in his role as a managing pharmacist had a change in demeanour that was palpable to colleagues and is still something he carries with him. He wrote to many politicians and met with our local MP at State Level having seen his parents have their superannuation taken from them and their business severely impacted not due to bad management or irresponsible business decisions, but due to Government intervention and compulsory acquisition of their assets.

Our son was in talks about purchasing his own pharmacy at the time the reforms were being tabled, however these talks soon broke down as he decided against purchasing a pharmacy. Having seen what had happened to our perpetual taxi licences he reasoned that a pharmacy as a small business could one day also be deregulated and he could have his licence taken away from him. The precedent had been set and this was the sort of impact these reforms had.

He continues to work as a pharmacist but one that doesn't in visage ever being a business owner due to the permanent implications the reforms created and the fear of it occurring in his industry.

From our perspective, we invested in our business under the rules laid down by the Government, charged fares that were set by the Government, and were over seen by the Government. We put more taxis on the road, created more jobs, transported more passengers, contributed more revenue, GDP and tax/GST to the Government and paid more in licencing fees. Always playing by the rules we are now victims who are financially disadvantaged, it is heart-rending.

The argument that this is just a financial loss is inhumane and one that cannot be put forward. No other industry is the same. No other industry partnered up with the Government or had the same start-up cost/licence costs which are then completely eliminated.

In any partnership, or a merger/acquisition there is a fair and agreed upon buy out.

Who consulted with us when deciding on a buy-out price?

Did the people making these decisions take into account any humanitarian elements of a situation like ours?

Just as when we arrived 25 years ago with a debt (plane tickets for \$1500) we now have another debt to the bank BUT our assets/super have been taken away from us. We worked hard, always followed all the rules and regulations, but we now have been told that it wasn't enough. We invested so much in the industry and this has lead us to losing everything that we worked for.

What more could we have done?

We purchased perpetual licences in good faith, partnered up with the Government only to be then told that the allegiance is over without any consultation with us. We lost our right in being self-funded retirees and are financially and emotionally disadvantaged. As small business people we face uncertainty and coupled with reforms of 2012 of which many aspects have now been abolished, loss of life savings.

There are many who have been adversely affected, but our situation is unique as we owned AND operate all four licences AND still owe a sum of over HALF a MILLION dollars to the bank for these licences.

We would challenge you to find someone who is in a similar one, with both the amounts we put into our business and the amount we still have owing. This is all because we believed in partnering up with the Government. A decision which has left us with a debt for something that the Government has taken away from us, our assets and superannuation.

What would you recommend we do with our debt? Who is able to assist? Why weren't we looked at on a case-by-case basis?

From a day to day perspective, we are still in the business, having been left with no choice and a debt for something that doesn't exist that still needs to be paid off.

We believe there are too many cars on the road and needs be a cap on the number of CPV's in Victoria. Having monitored the taxi industry statistics on the CPVV and formerly the TSC website, the number of cars has increased exponentially since the reforms came in.

This should be reviewed in rolling periods to minimise congestion on the roads as well as the opportunity for everyone to make a living. Occupancy rates in taxis are at all time lows and continue to drop. Driver incomes continue to drop due to the amount of taxis on the road and the dilution of work available.

Further, for a sustainable industry there needs to be a limit on the age of cars to ensure vehicles are more appealing for passengers to ride in and different network service providers (NSP's) should have different car colours so passengers can differentiate between them. All vehicles should undergo yearly roadworthy checks. Drivers of different NSP's should all have uniforms that are mandatory. In addition, drivers should be held accountable and disciplined for not adhering to acceptable standards in the transport of passengers.

We are still deeply disappointed and shocked by the 2017 reforms and the intense distress and despair, both financial and emotional that their implementation leaves us in and need assistance for our future.

To be treated in this way is horrendous, we have lost faith and believe our human rights have been violated. Our perpetual taxi licences were our assets and we believe there is a precedent for them being property that cannot be compulsorily acquired. Assets can decrease in value in any industry, but under these sort of circumstances, having what you worked so hard for taken away from you without your consent, it is just cruel.

This is our story. Please help us with some guidance and advice or provide some constructive feedback.

