

Kevin and Leanne McKenzie



24 June 2019

TO WHOM IT MAY CONCERN

The Parliamentary Inquiry into Commercial Passenger Vehicle Reforms in Victoria

OUR STORY

I Leanne McKenzie declare that this to be a true and accurate statement of events.

My husband, Kevin McKenzie and I owned and operated taxis in NSW, from 2003 to 2014. In 2014 we sold our NSW Licence and moved from Coffs Harbour to Victoria to begin our semi-retirement.

In considering where to retire, we researched the viability of buying a Wheelchair Accessible Vehicle Licence in Metropolitan Melbourne. During our research, we learned that the Supreme Court had deemed Taxi Licences to be of the same security value as land and houses as far as bank lending and appropriate investment for Superannuation was concerned. We also discovered a (Victorian) Taxi Industry reform process had recently been concluded, and according to information sources available, was led to believe no further Taxi Industry reform was to be undertaken.

Under these recent reforms, Taxi Licences remained regulated and issued by Government, and deemed to be perpetual, circumstances that could only reasonably lead to the conclusion, Victorian Taxi Licences were not only a safe investment, but would also be an enduring asset for our superannuation fund, providing us with an ongoing leasing income once in full time retirement

In 2014, we invested our superannuation in a Metropolitan Wheelchair Accessible Vehicle Licence in good faith. We attained Victorian Driver Accreditation and completed the mandatory Wheelchair Taxi Driver Training.

Approximately two months after successfully completing the required taxi driver training and being awarded our Taxi Driver Accreditation, we learned we were required to complete a new "knowledge test". This requirement was imposed retrospectively with no consideration given to current accredited drivers. My husband passed the test and retained his metropolitan Licence, however, due to a mental disorder which results in an inability to

think abstractly, I was unable to conceptualise and translate this information into the new test format and my licence was downgraded to a Country Licence. The end result of what we believe to be an unfair retrospective reform, was we only had one driver for our taxi.

To compound the problem, despite our taxi initially operating successfully, due to the new 'knowledge test', fewer drivers were becoming available and even fewer were wheelchair accredited, resulting in only eight shifts per week out of the possible fourteen shifts available being covered.

Unfortunately, the intended or maybe unintended results of the reforms resulted in a sharp decline in profitability, zero superannuation investment, and a company struggling to meet its financial responsibilities. To avoid insolvent trading, we had no option but to refinance our townhouse.

For the next eighteen months the financial hardships forced upon us and the Victorian taxi Industry, brought devastating circumstances to our lives. The constant financial stress, the risk of the loss of our house, and hand to mouth existence, placed an almost irreparable strain on our marriage, and failing health issues including my husband's raised stress diabetes levels and relapse of my mental illness. Feeling trapped in a situation of total helplessness in a situation that was not of our own making, we accepted retirement was no longer an option, and made the decision to sell the taxi licence, pay our debts and attempt to start over again.

But then, with the light at the end of the tunnel almost visible, the Victorian Government pulled the rug out from beneath us with the soul-destroying decision to reform the taxi industry one more time and make our taxi licence worthless.

When the new 'reform' was finally announced and a date set for the destruction of licences, we were both relieved and devastated. We were forced to sell our house cheaply as we could not meet the mortgage payments, and in the last few months before the transition payment was made (\$100,000) and our fairness fund money (\$50,000) came through, we were homeless, staying with friends and family until we could afford to move forward.

As a result of the reforms, we have lost a home, our livelihood, the lifestyle we had hoped to have by moving to the city and our retirement income. We are now dependent on the Government for our income both now and into our retirement. My husband works as a taxi driver a couple of shifts per week in a country town to help us make ends meet. We deduced fairly early on that we would not be able to make a suitable living in the city due to the explosion of Public Passenger Vehicles likely to hit the road when licences were initially freed up. Ironically when the 'knowledge test' was abolished, my licence was re-instated to a Metropolitan Licence, but we had already lost everything, and I had become so ill that driving a taxi was beyond my capabilities.

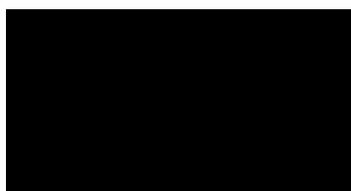
Although our children are all grown, they were victims in all of this as well. We were unable to afford to travel to see them, they were very worried that we wouldn't survive and were worried that they would lose their parents. All of us were very unstable and mentally unwell for a long time, and have not yet recovered. My husband and I often spoke of suicide, particularly my husband. He would say things like "if I died you would get my life insurance payment and you would be alright, but I have to do it before we can't pay the premiums anymore". I was devastated, and feared that he would go out one day and not come back. Ironically what saved him was that we couldn't pay the premiums and the policy lapsed.

Our transition payment was \$100,000 which has created a huge capital loss for our superannuation fund, and loss of our ongoing leasing income, which over our lifetime could amount to more than \$1M, plus the increase in capital value of the Licence. There is no compensation that can be made that would give us back our plans for the future, our quality of retirement, our children and grandchildren's inheritance, and our pride and dignity that comes with being financially independent in life.

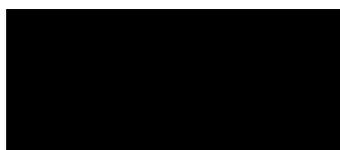
The Fairness Fund was anything but fair! The application process was a mystery, there were no guidelines of how to prepare an application, no criteria given and no transparency as to what basis the funds were to be distributed. The pool of funds was also inadequate to address the actual losses people have suffered. We received \$50,000, however, we had losses of much more than this.

My husband and I have spoken about what action the Government could have taken to improve this situation for us and a lot of people. The most important thing would be to have the full market value, prior to the announcement of any reforms, of our Licence paid as a compulsory acquisition of a house would have been. I am astounded that a Government that issues the Licences, regulates every aspect of the operation of those Licences, and has deemed them to be as secure as bricks and mortar asset, can effectively extinguish that asset and not pay what it is worth. I am also astounded that the 'deregulation' of one of the most regulated industries in the country, has resulted in it still being regulated.

My husband and I would like to wish the inquiry well, and hope the members of the inquiry are able to have a full and frank discussion about the conduct of the Government and have adequate information before them to assist them to achieve 'right action' in this matter and put steps in place to right the wrong.



Leanne McKenzie



Kevin McKenzie