

23/06/2109

Gavin Mackenzie

Port Fairy Taxis



Parliament of Victoria

Legislative Council

Economy and Infrastructure Committee.

To Whom it may concern,

I would like to make a submission to the economic council regarding my experiences with the deregulation of the taxi industry last year. I am a taxi owner operator in Port Fairy which is a designated "country zone" that was operating two purchased taxi licenses and one provided wheelchair accessible taxi since September 2010.

I am the only full-time driver doing about 55hrs over 6 days per week and I employ 3 part time drivers to fill in the rest of the shifts. I purchased the licenses and vehicles as a business package for \$245,000 and was informed by the then Victorian Taxi Directorate, that those three licenses were adequate for this area and no other licenses would be issued unless the need arose. On this basis my wife and I secured a bank loan for \$255,000 & we purchased the business. About 6 months later the Alan Fells inquiry started and we have been financially insecure ever since.

The revocation of our licenses last year for a payout of \$22,500 (we still owed \$205,000) has left us mentally and financially drained. How can a government do that to an honest and hardworking family? When we bought the business, we expected to work hard and provide a valued and important service to the local community as well as own a government endorsed secure investment. We never expected to make a fortune from driving people around Port Fairy, but we did expect, if we ran a good business, to be able to sell our licenses for a similar price when we wanted to. Now our licenses have been taken and our livelihood is constantly under threat. We find ourselves servicing a substantial business loan (currently \$183,000) with little chance of recouping that capital investment when we retire. I feel it is like purchasing a house and paying off the mortgage to one day own the house and then having the government steal your house off you and say you can continue living there and paying off the mortgage but you can never own it. Is this fair?

We did however apply for further compensation through the Fairness Fund and were paid a lump sum of \$100,000 which was considered as taxable income for the financial year. We are extremely grateful for this and it has eased some of the mental and financial anguish we were facing but being counted as taxable income has reduced the payment significantly. We had a \$35,000 tax debt associated with the payment as well several more thousands of dollars spent on extra work from our accountant and lost childcare benefits as we had

suddenly jumped into a high-income bracket. It has taken the gloss off the so-called fairness fund.

The imposed \$1.10 levy per journey is another area that has caused some angst amongst my passengers. I feel it is unfair that country passengers must pay the same as city passengers when the majority of my fares are between \$8 - \$10. This levy represents close to a 10% surcharge on every trip and when you consider country operators received \$15,000 for a license compared to \$100,000 for a metropolitan operator it seems even more unfair that my passengers are paying the same amount in levy. I have one regular elderly passenger that takes a taxi for a return trip to the shops 3 days a week, totalling about \$50 per week. That now costs her \$57 per week or an extra \$365 per year, money which a pensioner could certainly use better than paying for a governments deregulation of an industry that didn't need it.

To an outsider it may seem that the government did everything possible when ride sharing services hit the scene, but from within the industry it is a shambles. In the country there are people who offer rideshare services without even bothering to get licensed or their vehicles checked, thinking they can do whatever they like now. This was especially prevalent during carnival times such as the Port Fairy Folk Festival and Warrnambool race week. When our profits drop during these usually busy times it can make it difficult to stay open during the quieter times.

I feel that it is the governments' responsibility to oversee a safe, fair and regulated transport industry and that is why I believe they should buy back every single taxi license that was operational prior to the deregulation at the market value of the time. Then all vehicle operators should pay an annual per vehicle operational fee to the government. This fee should be appropriate to the operational zone like when regulation was in place. We need to go back to a regulated system that will be fair for taxi, hire car and ride share operators alike.

Thank you for your time.

Yours Sincerely,

Gavin Mackenzie.

Port Fairy Taxis. [REDACTED]