



Victorian Taxi Families Inc.

11<sup>th</sup> June 2019

The Secretary  
Legislative Council  
Economy and Infrastructure Committee  
Parliament House Spring St  
EAST MELBOURNE VIC 3002

Via email - [taxiinquiry@parliament.vic.gov.au](mailto:taxiinquiry@parliament.vic.gov.au)

#### **INQUIRY INTO THE COMMERCIAL PASSENGER VEHICLE INDUSTRY ACT 2017 REFORMS**

By way of introduction, my name is Peter Dafnas and I am the President of the Victorian Taxi Families (VTF). The Victorian Taxi Families was founded in 2012 and now boasts a membership of thousands with affiliates in all states. This committee was formed following the pending reforms of the Taxi Industry which have affected a very large number of your Constituents.

The Victorian Taxi Industry underwent a severe battering, seeing all Taxi and Hire Car Licences revoked by the Victorian Labor Government on the 9th October 2017. These Perpetual Licences were purchased by families either as a means of self-employment and/or for retirement funding AND were purchased in PERPETUITY.

These Perpetual Licences were DEEMED AS PROPERTY BY THE HIGH COURT IN 1998 and even traded on the Bendigo Stock Exchange. This provided a level of comfort in investing for our future, in this highly regulated and safe Industry. Most of our members are mums and dads who bought into a heavily Government regulated industry in order to be self-employed and/or self-funded retirees and to never become a burden on the public system.

These Perpetual Licences were considered as our property, our superannuation and unfortunately were stolen from us (political theft of assets/property), leaving the Industry in absolute financial ruin and with unbelievable emotional and mental stress.

Many are now left with legacy debt and no income to service loans. This has caused loss of family homes and ongoing mental health issues. The mental stress that we have all endured is indescribable and in fact, this action by the Victorian Labor Government has led to several suicides.

The Fairness Fund, or as has been described by the Industry as the UNFAIRNESS FUND, was put in place but as reported by the Victorian Ombudsman, this Fairness Fund was beyond Fair and in fact added further stress and confusion to all our members.

There were 2 information sessions that were set up for the Fairness Fund in order to provide relevant information to the Industry. This Fairness Fund information sessions were led by Marnie Williams, who was the Chair of the Fund together with KPMG. These session were unfortunately not

informative at all and only added more confusion to the process to the point, where Licence Owners just did not apply knowing and believing that they would not be successful at all.

At these information sessions, the (confused) audience were told and in fact were dictated to that "THERE WILL BE NO CRITERIA AND NO APPEAL" so what was the benefit of these information sessions when the Chair alongside KPMG stood up and basically could not answer any questions and could not provide any information?

The Fairness Fund Application sought information by asking in **Section 2.1 the Basis of claim**. This Basis of Claim asked to describe circumstances and what actions have Individuals taken to address financial situation as in sale of assets and refinancing debt.

As an Association representing many members who were extremely distressed by this, we challenged Marnie Williams and Sarah Leslie on this and in their intimidating manner, they suggested that an option would be to sell property in order to pay debts. As you can appreciate, this was not well received.

The Government COMPULSORILY and FORCEFULLY STOLE these assets instead of responsibly Buying Back fairly and correctly. It is not up to the Industry to sell assets that have been worked and paid for with blood, sweat and tears and refinance for something that was created by the Government. It is very interesting to note that after speaking with many MPs and the like, many are quite shocked as to the severe impact these reforms have had. In fact, several MPs had NO understanding of how the Industry worked and how this has now crippled the Industry.

We would also like to highlight that on the 26<sup>th</sup> August 2016, when the announcement came through about the revocation, the VTF Vice President Mircina Mayas and Sandy Spanos met with the Transport Minister, Jacinta Allan, David Money, Ben Carroll MP, Steve Dimopoulos MP and Nick Staikos MP. Both Representatives of VTF were extremely distressed and expressed their concern about the Government taking this approach and what this would mean to the Industry. Unfortunately, Jacinta Allan showed NO mercy and, when she was asked the question "what will happen to the likes of Leo who at the time was 82 years of age" her response was "he can keep working."

At this meeting, it was also raised and questioned how this revocation would also affect the Perpetual Licences that were in Self-Funded Superannuation Funds. The Transport Minister at that point showed concern as it was clear this had not been factored in. David Money was asked by the Transport Minister to investigate this immediately. It was most concerning and quite alarming that this was never factored in when the decision of revocation was taken.

The Transport Minister, even after being provided with Industry information and clearly being shown how these revocation plans would destroy the industry, clearly did not listen and unfortunately proceeded with the revocation and destruction of the industry without any consideration to these real impacts. She was even provided with a diagram clearly showing how the Industry worked.

Unfortunately, though, even after detailed information provided, The Transport Minister chose to deliberately hide behind a deceiving media release statement that they are providing the most generous compensation package in Australia. Minister Allan stated this without providing any context in that no other State or Territory is cancelling \$1BILLION of taxicab and hire-car licences.

We should also note at this point in time that the VTF sat on the Ministerial Forum for well over 18 months. Never during these Ministerial Forums had it ever been suggested or explored about the Government's decision to revoke the Perpetual Licences. Revocation never came into the topic at any of these meetings.

We would also like to refer to the treatment of other asset acquisitions and how they were handled by the government which was so different to the revocation of Taxi Licences. The buyback of the Fisheries Licences. These Licences were paid out very generously for each and every Licence. The East/West Link purchase of all the homes at market value plus. Why has the Victorian Taxi and Hire Car Industry been treated so poorly and unfairly.

In conclusion, there are many issues we have with regards to the unfair handling and the process of the Taxi and Hire Car Reforms, as follows:

- Uber operating illegally with no intervention or policing from the then government body TSC
- Compulsory Acquisition of every licence without proper buy back
- An unfair Fairness Fund process with no set criteria or area for recourse
- Decisions being made without proper understanding of the Industry and impacts

We could provide the Inquiry with many heartbreaking stories that we listen to daily but instead have highlighted some stories below but have removed the personal details due to privacy:-

- VTF Member owned 19 licenses, which were valued at \$10M. VTF Member received a payout of \$250K following the revocation. How is that FAIR? He has 4 children and a massive debt. His wife is extremely worried about her husband's mental health as he walks around the house unable to effectively communicate but talking to himself constantly voicing repeatedly how he has failed after working 50 years.
- VTF Member owned 3 licenses, the bank sold his house to repay part of his debt, he subsequently is suffering separation from his wife and young child and now lives in a warehouse with no heating or cooling. He is constantly contemplating suicide as a way out. Our committee is constantly trying to calm the situation and tell him he must live for his son.
- VTF Member owned 3 licenses with little debt in his late 50s, which was his wife and his retirement plan, in their Self-managed super fund. He still drives a taxi but has no will to live, and stays in bed for days at a time, unable to function, advising his family he would prefer to die.
- VTF Member, an 80-year-old lady, whose husband and herself dedicated 40 years to taxis prior to his passing from cancer, now has her adult stepchildren (which she raised) having her in the supreme court and a caveat over her home, demanding \$3M which was the value of the 6 licenses; money she no longer has as the licenses were revoked.
- VTF Member, a mother of 3 children, threw herself in front of a train committing suicide, leaving her children motherless, as the bank was selling their family home to repay the debt.
- VTF Member experiencing heart palpitations after the revocation and ended up with a triple by-pass operation. This member is still suffering mentally and is on constant watch by his children.
- On 2 occasions, 3 of the VTF Committee Members, had to talk to one of our very own Committee Members, from self-harming. As a result, we had no option but to call on the assistance of the Police, to attend to this member's home in order to save this person's life.

We have for your reference also included below a story that was submitted to the TSC as a complaint but unfortunately this was totally ignored. We ask that you read this story which will give you a further idea of the damage caused: -

- We arrived freely as immigrants 26 years ago from Communist Russia, with a debt for plane tickets. We have been in the taxi industry for over 20 years.
- My husband started out as a night-time taxi driver, having gone through many trials and tribulations, like the murder of our employee by a passenger in 2012, subsequent theft and incineration of our taxi vehicle.
- The Victorian Government Department of Transport under the Transport Minister, Jacinta Allan, has deregulated the industry and compulsorily acquired all taxi licences from individuals. The licences ARE property which the Government has taken away. Individuals

had no say in the matter and compensation provided doesn't cover the amounts paid for those licences.

- The Government has compensated \$300,000 and left a debt of over \$880,000.
- The debt now remains for something that doesn't exist any longer.
- No-where in the world has this happened, except in Communist (where we left from in search of a better life for our children) or Fascist regimes. The Victorian Government can be added to the two regimes above.
- We purchased taxi licences in these years and for these amounts;
  - 2002 - \$300,000
  - 2004 - \$329,000
  - 2007 - \$485,000
  - 2008 - \$425,000
- A licence IS property AND it was our superannuation, our pension, as we didn't want to rely on the Government in our later years.
- We have written to politicians both state and federal and not been able to get a definitive response on our unique situation. Majority of correspondence was ignored, some of the responses received have been ignorant and the rest nonsensical. Standard "who cares" responses.
- An explanation from the Government as to how our superannuation AND property can be compulsorily acquired without consent, leaving a significant debt and a breach of human rights is required.

There are thousands of these individual stories we could recount, every one of them heartbreaking - A HUMAN TRAGEDY.

We have been gobsmacked to say the least, to try and comprehend how a Government can destroy its citizens, the very people who elected this Government, to protect and make decisions that are fair and reasonable for its people.

We are now unfortunately racing against time, as many in the Industry are simply NOT COPING. Surely, someone in Parliament has the moral courage to stand up and demand people be treated fairly and with respect. It's about human beings, and their human rights in the spirit of social justice.

It is unfair that so many families face losing their homes and their lives. In closing -

*"Compassion surely has a vital role to play in any fair and democratic system of Government."*

Kind Regards

Peter Dafnas  
President  
Victorian Taxi Families