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*To the
ECONOMY and INFRASTRUCTURE COMMITTEE – My Taxi Story*

You only get out of it what you put in. Commitment, dedication, perseverance, sacrifice. Growing up in Australia life was not too complicated, opportunity was there for all.

I did not as a young lad aspire to be a taxi driver, ironically I ended up being a third generation taxi driver. My grandfather George Smith trawled the streets of Sydney plying his trade in the 60s & 70s. I recall getting a few bob for washing his vehicle on weekends, him rarely being home on time for dinner and when home lounging exhausted in front of the television.

My father after having served 20 years in the Royal Australian Air Force purchased a taxi licence in the mid eighties with his service payout. Relocating to a small acreage in Moorooduc on the Mornington Peninsula he quickly developed a passion for the job, a simplistic way to earn a living providing flexibility to rekindle his passion for horses. I recall him justifying his financial commitment to the industry (the purchase of a licence) with the knowledge that the industry was government regulated. Little time passed before a second licence was purchased and the timing of such, one may say shaped my future.

University was not for me and after four weeks of participation I confirmed that notion. My father's second license acquisition was perfect timing for me to sit behind the wheel of a taxi cab and cruise the streets of the peninsula. A stop gap, an opportunity to earn some money whilst figuring out what I really wanted to do with my life..... well 32 years later I'm still trying to work that out? I started as a driver and after a number of years my father encouraged me to take on a lease. It was inevitable that I would end up buying my own licences. Renting (leasing) someone else's did not make sense when purchasing one for yourself would serve the same purpose in regards to income but also provide security in the form of an asset for the future. After all my father's words still rung loud in my ears, "the industry is government regulated".

Being self employed, married and with a young family in my late 20s was rewarding but also challenging. The money was not fantastic however I rarely missed an important day in my children's upbringing. I drove Monday to Friday however my vehicles were working 9 night fortnights + Saturdays and Sundays. Although I was not physically sitting in the car for ridiculous hours my phone was never far away as I was literally on call 24/7. I was young, eager and keen, the late night or weekend interruptions were simply a by-product of being a small business owner.

As taxi drivers we copped some serious flak over the years, we were not regarded highly on the social scale. The late night revellers had little respect for the drivers or the vehicles. We were an essential public service that a lot of user's had little appreciation for. When Uber arrived it was no surprise that the alternate transport service was embraced by the general public. Noteworthy however during my years of industry participation it must be remembered that the taxi service was government regulated and in my opinion the industry authority was a toothless tiger and under resourced. Blame for customer dissatisfaction and poor service delivery was equally attributable to the regulator as much as the operator. Two industry reforms that I worked through were simply window dressing - the government being perceived to be doing something. Jeff Kennett painting the vehicles

yellow and putting the driver's in uniform did nothing to provide a better service outcome. The late Lynne Kosky oversaw the accreditation reforms. Accredited owners, operators, drivers, network service providers, vehicles - all designed to purvey to the public a perception of industry cleansing - once again with no notable improvement in service delivery. If the industry was so broken and run down necessitating the need for the latest set of industry reforms the previous government(s) of the time must accept some responsibility.

Whilst at it I will share my thoughts in relation to the arrival of Uber and the government's handling of their illegal operations and subsequent acceptance. There is nothing worse than a government to be seen not to be able to enforce their own laws. What hope did our already proven to be inept transport regulatory authority have of enforcing existing commercial passenger vehicle laws against the might of Uber Inc. With the people wanting Uber it was easier to change legislation than enforce existing laws. The collateral damage of these changes were the law abiding existing taxi licence owners. Professor Alan Fels used those exact words in a radio interview with 3AW morning host Neil Mitchell. Still, at that time I believe nobody in the industry anticipated how ruthless the government would be in rewriting legislation and compulsorily acquiring our assets.

The toughest times for me and my family were no doubt the years of uncertainty between 2011 and 2017. Initially I had faith in our government and our law enforcement process. I understood the general public embracing change and wanting an alternate option however I did not understand how the government could so simply discard decades of rules and regulations obviously deemed necessary at the time of inception to accommodate a Rideshare alternative. The feeling of helplessness, frustration and anger was building as I realised the inevitable financial loss coming my way. I had trouble sleeping at night, I drank too much and frequently, I shifted away from the sporting and social groups that had been a constant in my life, I was embarrassed and felt failure. My children were at an impressionable age and I felt I had let them and my wife down. I was at this time also assisting my widowed mother understand the governments industry transition process. My father who had passed away in 2005 with a terminal illness had spent the last years of his life insuring that my mother would be well cared for with no debt, a home, a part service pension and an ongoing income stream derived from taxi ownership. My mother is now on the aged pension and has trouble understanding why a man who had worked hard all his life, paid his taxes, served his country and had the foresight to provide for her when he was no longer around could have her financial independence compromised

It was during this period of time that I became involved with other industry participants and realised how financially crippling the proposed reforms and compulsory acquisition of taxi licences was across the board. My circumstances were challenging but there were others who were experiencing far worse financial hardship and mental issues. Our brief moment of unity within the industry gave us a sense of belief that these proposed nonsensical financially crippling taxi reforms would be reconsidered and a fairer proposition going forward would be offered to licence owners. A small amount of media attention gave us hope and we believed the proposed reforms would be seen as totally unfair. The general public were becoming more aware of our plight, and it seemed media broadcasters and some politicians could see how unjust the transition package was however the Victorian State Labor Government were steadfast with their proposed reforms. I could only think that it must be easier for the government to anger and disenfranchise 4200 taxi licence owners than stand up to a multinational corporate and dissatisfy a supposed 500,000 users. I could only help but think if the industry had been unionized we would have had a far greater chance of being dealt a fairer hand. However I repeat, we were government regulated and supposedly the government was there to keep all things fair and just. How naive was I?

At the age of 50 after 30 years of industry participation my wife and I had our future retirement plans and aspirations turned upside down. We had worked hard to attain a comfortable but modest lifestyle. We owned our home however had considerable business debt, the licences were cash flow positive and the market value prior to industry disruption was greater than the money owed. We were travelling ok. License revocation for less than market value left us in a situation like many other taxi licence owners whereby we would still owe money on assets that we no longer owned.

I received much good intentioned advice and comment from friends, associates and ill informed well meaning passengers. Investment gone bad, chin-up at least you still have your health, move on rebuild, there is people worse off, compete, you still have your family etc etc..... advice from people who would moan if the cost of a pot went up 10 cents at the local or they had to pay an extra 20 cents for sauce on their pie. Losing 400+ thousand is not a common occurrence, certainly not amongst my circle of friends/acquaintances and although on most occasions they were simply trying to console their tactless comment's frustrated me further. It felt like us (taxi licence owners) vs. everyone else (politicians, uber, the public). It seemed no one genuinely cared or gave a damn, unless you were affected by the taxi buy back scheme or had experienced significant financial loss through no fault of your own I don't think many would fully understand the anger. It is a hell of a lot of money to claw back especially when the meter only ticks over at 10 cent increments.

The reforms were implemented, the industry transitioned and approximately 4200 taxi licence owners were subject to an industry transformation that would remove acquired assets, cease ongoing income streams and impact ongoing revenue. Millions of dollars of acquired wealth had been erased and property rights had been redistributed..... all with the stroke of a pen. From the outside looking in the transition was smooth and seamless, for the disenfranchised taxi licence owner it was difficult to understand how their years of industry participation could be devalued so significantly.

My wife and I sold our family home in 2016 and purchased a property of lesser value, a means to do away with legacy debt. Those 25 words need to be amplified and considered..... Industry reform resulted in the loss of my family home. We told family and friends that we were simply downsizing however the action was necessary to re-establish a financial footing and move forward. I am lucky to have a supporting wife and understanding family who were fully aware of the emotional strain and anger I was experiencing, their support was immense.

Time to pick yourself up and experience this new 'level playing field' that had been created in the commercial passenger vehicle industry. I had given serious consideration to pursuing other employment however the reality was at 50 years of age there was not much on offer. I now find myself working longer hours for less money, the volume of work has nowhere near increased proportionately with the number of vehicles now offering the service. I have a driver who works Friday and Saturday nights, an old school driver who has been in the game for years, his takes have decreased approximately 60 to 70% since the reforms of 2017. My weekend driver is an old Greek gent who has also experienced significant declines in revenue. I am still lucky to have these two working for me knowing I will be unlikely to replace them when they have had enough of working for peanuts - business revenue will decline even further. I cannot comment on the earnings and working conditions for metropolitan bailee driver's in years gone by but full time positions on the Mornington Peninsula were highly sort after. As operators we never had difficulty in getting driver's, in fact we could be quite selective and demand service standards and expectations. Many drivers who started off as part time realised there was reasonable

money to be made. They pursued full time positions, licence assignments and some even made the ultimate commitment of purchasing a licence and being subject to the demands and rewards of being self employed and running a small business within a government regulated environment, what could go wrong?

I think we are now all well aware that industry saturation has resulted in decreased earnings and driver frustration. Competition for work is certainly high however regardless of how you present, your service history, industry experience or geographical knowledge you still find yourself waiting long periods of time between bookings. We will inevitably end up with an industry full of driver's who are prepared to work for the least amount of money. No doubt the ease of access for new industry participants and subsequent continual increase in CPV numbers will give the regulator the impression that the industry is appealing, viable and accessible when in fact the reforms have created a workforce full of part time, below minimum wage service providers with very little knowledge of service expectations. What concerns me most about this is the people that rely heavily on the service - the elderly, frail, intellectually impaired, young inebriated female's coming out of nightclubs will be serviced by those individuals who have 'landed' in the industry simply because they have little hope of securing better paid employment elsewhere..... not to mention those with sinister motives.

The industry today in my opinion is unsustainable. We will continue to have new industry participants entering whilst many will wind up operations as revenue continues to decline. A revolving door type situation whereby the vision of being self employed with little financial outlay seems to forego the need to undertake due diligence necessary when entering any business/contractual arrangement. Industry participation should not be so easily accessible and I propose that going forward an annual permit fee of \$5,000 be introduced, payable by all excluding licensed taxi and hire car owners prior to industry transition. \$5,000 is approximately 20 to 25% of what assignees would of been paying prior to deregulation and the exemption for still operating ex taxi and hire car licence owners would be a small consolation and a sign of goodwill from the government going forward. Permits could be non-transferable and non-assignable limited to three per individual. This would continue to favor the preferred government owner operator model but would also allow for individuals to build a small business, employing drivers with the additional permits. All CPV's must be distinctly identifiable including all Rideshare. All vehicles need to be fitted with the same security devices - passenger safety should not be compromised regardless of vehicle status (rank and hail/prebooked only). The knowledge test needs to be reintroduced and the regulator needs to be more visible and given greater powers. The industry requires professional drivers who are prepared to outlay the small sum required and undertake the necessary training knowing that in return they will be rewarded with the opportunity to earn a satisfactory wage. An ideal number of CPV's operating needs to be determined and the regulator should cease issuing permits immediately. Commercial passenger vehicle numbers will decline with the introduction of the \$5000 permit fee and new permits are made available only when CPV numbers fall below the predetermined 'ideal' number. The 'ideal' number could be determined by using accessible data from the two large NSP's - average number of jobs per vehicle per 24 hours/average dollar value of each job. Divide daily earnings by number of vehicles and I'm sure result will show less than minimum hourly rate being earned across the board. Reduce number of vehicles in multiplication until the minimum hourly rate is achieved. I would also support the reintroduction of zones. Simply North South East West and Metropolitan. Zones could be identified with different coloured number plates and the ideal number of permits operating in each zone could be closely monitored to align with existing demand and ongoing population growth. This would allow for operators to provide a more personalized and knowledgeable service focusing on a smaller area.

The latest reforms have rid the industry of investors, large fleets and to a large extent, the non driving operator's. Now that we have had a thorough cleansing of industry hangers-on it is important that we do not allow the service to decline to third world standards. A fair days wage for a fair days work / knowledgeable and courteous driver's / the potential to grow but not lose touch with expected service standards. Giving authority to the regulator to review and revoke permits for regulatory infringements will keep operator's honest and on their toes. To provide this very important service and derive an income from doing so should not be a right but a privilege.

The operations and service delivery of 13Cabs needs to be closely scrutinized. Behind the guise of providing better service delivery and competing with Rideshare alternatives they have profited by welcoming an unsustainable number of new operator's into their fleet. They were ruthless in their pursuit of acquiring small outer suburban and country NSP's effectively shutting down businesses resulting in job losses and encouraging new industry participants to provide services in these areas. They showed their greed well before the 2017 reforms were legislated offering individuals within the industry the 'opportunity' to operate a 'private hire' vehicle. The number of jobs being delivered to driver's through dispatch is declining rapidly and yet they still welcome new operator's. Moreso now than ever we have an industry controlled by the networks, in particular 13Cabs. They wield far too much power with the capacity to further restrict driver income through dispatch lockout for unsubstantiated misdemeanours. Their 'no destination' policy when dispatching job details hinders a driver's ability to forward plan private bookings, changeover and/or finish times. Driver's turn up 'blind' at jobs not knowing if the customer has booked to travel around the corner or Tullamarine (from the Mornington Peninsula). The driver is left explaining to the passenger that he cannot do the fare because he has a permanent booking picking up intellectually disabled adults from a day care facility in one hours time (personal experience). Of course the passenger is irate and the fare refusal could easily be perceived as the driver being selective when in fact the driver is simply honouring a pre-booked job. The kerbside confrontation could easily be avoided simply by making all job details available at the time of dispatch.

With 13Cabs am I an employee or am I a subcontractor? They insist on me wearing a uniform that carries their branding and threaten to lock me out of dispatch work if I refuse to comply. They can manipulate my working hours by locking me out of the system or allocating me work that will require me to finish later than I would prefer. Poor customer service on their behalf reflects poorly on me as I am clearly identifiable as a 13Cabs commercial passenger vehicle service provider. Not being able to process M40 cards without the Cabcharge eftpos device I have no option other than to pay monthly fees to 13Cabs. Silvers do not advertise their service in my area of operation and I have received no response regarding my Cabcharge Merchant application which was lodged late 2018. I am trapped paying \$700+ per month to 13Cabs primarily due to the need to process M40 cards. Service delivery or driver/operator welfare is certainly not at the forefront of Cabcharge business operations. If licence owners and investor's were previously considered to be a scourge on the industry then certainly 13Cabs/Cabcharge since the reforms of 2017 have taken over that role.

I continue to operate my vehicle and provide a service on the Mornington Peninsula. I have worked hard to secure a few regular customers and a number of permanent bookings providing transport for the intellectually disabled on a daily basis. For me, these jobs make industry participation still viable.....only just.

I have never wanted for much therefore I do not require a lot. My wife and I have been able to regain control of our financial predicament through the sale of our home, industry transition payment and a fairness fund payment. We are in no way destitute and I consider

myself lucky to be young enough to rebuild some sort of financial security going forward. I am however totally disillusioned with government and political process. I do not oppose change nor competition, however in moving forward we should not discard the past. More needs to be done to compensate those financially disadvantaged by the revocation of assets.

Thank you for the opportunity to share my taxi story.

Ross Sanders

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