

# TAXI INDUSTRY COMPLAINTS



**There is no future Victorian taxi drivers wiped out by rideshare reforms.**

News.com.au JUNE 2, 2017 Frank Chung

WHEN Leo Mauro first moved to Melbourne from Italy in the 1960s, he was offered a deal by a neighbour who had decided to return to his native Israel.

The man was offering to sell his taxi licence for \$12,000 — about \$150,000 in today's dollars — and his house, a few doors down from Mr Mauro, also for \$12,000. Today that house is worth \$1.8 million. The taxi is worth nothing. "I know two people who have committed suicide," said the Melbourne taxi driver, who celebrated his 84th birthday this week. "Another one tried. I had a heart attack on the steps of Parliament House.

Daniel Andrews is a backstabber, he's a dog. We are controlled by parasites." Mr Mauro is one of thousands of taxi drivers and owners across the country who have seen their life savings — or worse, an [asset bought with a bank loan](#) — completely wiped out by state and territory [governments' legalisation of Uber](#). At their peak, taxi licences were worth \$540,000, meaning Mr Mauro's 11 licences — the last one he purchased 25 years ago — were once worth close to \$6 million. Under a buyback scheme announced last year, the Victorian government has offered licence owners \$100,000 for the first licence and \$50,000 for up to three additional licences, meaning the most Mr Mauro can be compensated is \$250,000.



Mr Mauro with Victorian premier Daniel Andrews. The outspoken grandfather was one of hundreds of disgruntled taxi drivers who [caused chaos in Melbourne](#) earlier this year with a blockade of the Bolte Bridge.

It was at that protest, a convoy that continued along Flinders Street and ended at State Parliament that Mr Mauro suffered a heart attack and was taken away by paramedics. "We have been decimated because of the government in Victoria," he said. "[Uber] was never regulated. Uber will not give service to the public, Uber is here to exploit the industry and the public.

Once they destroy the taxi industry, they will take over. There will be no competition under a monopoly. There is no future for the customer." Mr Mauro, who has been driving taxis for 57 years, is on the verge of shutting up for good. "I'm waiting another nine, 10 days. We'll have to close," he said. "There is no money for nobody, no money for taxis. I have five sitting empty. Plenty of people don't want to drive a taxi, not even an Uber. It's slavery work." For Mr Mauro, it's not the first time he has been crushed by competition from giant corporations. His Lygon Street butcher was driven out of business by big supermarkets, and a small petrol station he owned was squeezed out by bigger competitors opening up all around. "This is nothing new to me," he said. "Uber is not new. We need competition, but what sort of competition?"

The media gets paid by these multinational corporations, they are manipulating the public — this is exactly what's happening now with Uber." Mr Mauro is particularly angry at Victorian Premier Daniel Andrews, who he says "promised everything". *"The last time I saw him, he put his hand on my back," he said. "He promised me. He is a liar. Never walk in front of a politician because he will stab you in the back."* He and thousands of other drivers feel cheated — they bought licences and paid their fees under the system set up by the state government.

"The RTA, the Taxi Commission, you could not put a sticker on the taxi unless they allow you. There is no control," he said. "By the time you go to the toilet they already change another rule and regulation. We were run by them. Now all of a sudden, you don't need them, you don't need to speak English, nothing, whoever wants to drive a car can drive a car. "How can you protect the public? There's no regulation for nobody now. You don't know who's picking people up. My daughter was standing on the side of the road looking at her phone, a private car stops and says, 'Are you looking for an Uber? I can take you.'"

Mr Mauro scoffed at the premier's recent apology to [descendants of Chinese migrants](#) over a "racist" 10 pound tax targeting only Chinese arrivals in Victoria during the 1850s gold rush. He said "in the next 100 years, they will apologise for what they have done" to his generation. In addition to the government's buyback scheme, it also established a \$50 million "Fairness Fund" to provide targeted support to those doing it tough as a result of the changes. Transport Minister Jacinta Allan said more than \$420 million would go towards supporting the industry. "We will continue to work closely with and support the industry while we get on with regulating rideshare, and creating fairer, safer and more responsive services for passengers," she said in February.

<http://www.news.com.au/finance/business/travel/there-is-no-future-victorian-taxi-drivers-wiped-out-by-rideshare-reforms/news-story/114d404d9724bfede3ff11045939d124>

### **Brave new world for taxis: What the proposed law changes mean**

The Age Tina Jacks 18 October 2017

Taxi drivers would go to war over customers and plaster low fares on their doors if a proposed shake-up of Victoria's taxi industry became a reality, a spokesman for drivers has warned. Taxi Drivers Association president Michael Jools said "taxi driver rage" could break out on Melbourne's streets, as drivers competed to offer the lowest price under the state government's proposed legislation enabling taxi companies to set their own fares. The State Government's second stage of reforms will 'level the playing field' between taxis and the ride-sharing industry, says Minister Jacinta Allan.

"Drivers might put special prices on the outside of their taxis ... it could lead to fights with other drivers," Mr Jools warned. More on that in a moment. Public Transport Minister Jacinta Allan says taxis will be put on a "level playing field". Let's do a quick rundown on what the Victorian government proposed in Parliament on Wednesday. The changes, to take effect next year if passed, follow legislation in August that imposed a \$1 levy on all taxi and Uber rides to compensate taxi licence holders, whose assets plummeted in value.

The second tranche of changes, aimed at deregulating the taxi industry, would put cabs on a level playing field with ride share companies, Public Transport Minister Jacinta Allan said. Allowing taxi service providers to set their own fees would boost much-needed competition in the sector, lowering prices for consumers, Ms Allan said. The proposed legislation would see:

- Taxi service providers setting their own fares, allowing customers to shop around either on an app, or on the street, where they could ask drivers for a fare estimate.
- Tough penalties imposed for failing to give an accurate fixed cost or estimate before the trip starts. Driver accreditation would be removed by the industry regulator for repeat offenders.
- No capping of charges, but there are plans to avoid surge pricing during a natural disaster or crisis.

- Taxis, ride-share companies and hire cars operating under the same rules, while safety cameras would be installed in all rank and hail services.
- Cars being fitted with a visual display tracking a taxi fare, but this will not necessarily be the conventional meter. So what does all this mean?

**Fixed fares to the airport.** Victorian Taxi Association chief executive Georgia Nicholls said taxi service providers would probably consider fixed fares to the airport, or setting prices for loyal clients or certain zones. Offering competitive deals would serve as a lifeline for the taxi industry, which could not compete with Uber. The global ride-sharing company already uses surge pricing during periods of high demand.

**Taxi "chaos".** Mr Jools said drivers wanted more freedom in service delivery and fees, but a race to the bottom on taxi fares could see drivers take a hit to their earnings, which were already low. "There is no safety net." Mr Jools warned that taxi rivals might get into fights in their bid to offer the cheapest fare.

**People will be "stranded in their homes".** "What is to prevent Victorians being hit for a six with surging short-fare costs?" That's the question of opposition public transport spokesman David Davis, who warned that the reforms would result in passengers being refused short trips or forced to pay "massive fares". Those who are elderly, and who have disabilities, risked being disadvantaged by uncapped variable pricing, said Victorian Council of Social Service chief executive Emma King.

"Variable pricing and market-based solutions don't have a great track record of looking after people who are disadvantaged ... more often than not it's the people who can least afford it who are pushed out of prices or services." People would be left "stranded in their homes" if safeguards were not put in place, Ms King said. Ms Nicholls said the government's Multi-Purpose Taxi program, which gives people with disabilities a 50 per cent discount on the standard fare, would need to be closely monitored to ensure eligible passengers were not exploited.

**Competition tsars celebrate.** This has been a long time coming for Professor Allan Fels, who has been calling for taxi deregulation since the 1980s. The former chairman of the Australian Competition and Consumer Commission, who led a landmark inquiry into the taxi industry concluding in 2012, welcomed the proposed changes, saying they would see the number of taxis grow and prices drop overall, with the exception of Friday and Saturday nights.

The changes would benefit passengers wanting to travel long distances who were prohibited by the cost, he said. Former ACCC chairman Graeme Samuel, also a former taxi services commissioner, said the proposed bill marked a quantum leap forward. "These reforms empower consumers and that enhances competition, and that is ultimately what leads to a higher level of quality of services and low charges."

<https://www.theage.com.au/national/victoria/brave-new-world-for-taxis-what-the-proposed-law-changes-mean-20171018-qz3i1y.html>



**Uber faces possible class action for devastating Victorian taxi industry**

Danny Tran 21 Nov 2017

**PHOTO:** Taxi drivers alleged Uber was subject to the same regulations as them, but ignored the law. (AAP: Joe Castro)

Victorian taxi and hire car drivers have engaged lawyers to investigate the potential of suing the ride-booking giant Uber for compensation, which they say has devastated their livelihoods.

The Victorian Hire Car Association has asked Maurice Blackburn to canvas the possibility of a class action among an estimated 6,000 drivers who were affected by Uber's expansion into the Victorian market.



**PHOTO:** Taxi and hire car drivers and operators can register their interest for the class action. (Reuters: Kai Pfaffenbach)

"Uber knew it was coming into the Victorian market deliberately to disrupt it," said Ben Slade, the class action principal at Maurice Blackburn. "While we don't complain about that, what we do complain is that if you are going to break the law and you conspire with others to break the law and it causes people financial losses, then you should compensate them."

At the centre of the possible class action is the allegation that there was an Uber "conspiracy to injure" drivers. "Our argument will be that Uber was subject to the same regulations that taxi drivers and hire car drivers were," Mr Slade said. "Uber just ignored the law and proceeded regardless, encouraged drivers of Uber cars to ignore the law and proceed regardless."

**Taxi drivers being asked to register.** The plan is being backed by the industry lobby group, Victorian Taxi & Hire Car Families. "We will be asking our members to register their interest," president Sandy Spanos said. She estimates taxi operators have lost hundreds of millions of dollars in income because of Uber's expansion.



**PHOTO:** Taxi drivers are being asked to sign up to the class action, which is being canvassed by Maurice Blackburn Lawyers.(AAP: Joe Castro)

"Uber were well aware that they were operating illegally and they just chose to thumb their noses at the law. "The wheels of justice turn slowly, but justice will be served," she said. An Uber spokesman said the company was confident in its position.

<http://www.abc.net.au/news/2017-11-21/uber-class-action-threat-in-victoria-taxi-hire-car/9174724>



### **Uber faces Victorian taxi industry class action over illegal operation**

Paul Smith Nov 21 2017

Uber faces a potential class action on behalf of Victorian taxi and hire car drivers. Dominic Lorrimer. Victorian taxi and hire car drivers are being offered the chance to join a class action against US-based ride sharing giant Uber, with claims operators were slugged because the company was illegally operating in the state for four years.

Uber [was officially legalised in Victoria in August](#), but had been operating in Melbourne since 2013, which law firm Maurice Blackburn said was unlawful and had "caused extensive loss and damage to law-abiding taxi and hire car operators and licence holders." The law firm, which has been behind some of Australia's biggest class action cases, said this was the first proposed case of its type in Australia, and called for drivers and licence holders to register their interest in taking part [via its website](#).



Ben Slade, Maurice Blackburn class action Special Counsel, is leading the potential case against Uber. Jessica Hromas

The move will be the latest headache for the taxi industry disrupter, which has seen its [founder and CEO Travis Kalanick quit this year](#) and recently [lost its licence to operate in London](#). There are also class action cases against Uber [in Canada](#). Maurice Blackburn's class action Principal Ben Slade presented the idea of a class action to the annual general meeting of the Victorian Hire Car Association on Tuesday.

Saying Uber's operation before it was officially regulated had caused extensive loss and damage to law-abiding taxi and hire car operators and licence holders. Mr Slade said there were at least 6000 taxi and hire licence holders in the Melbourne metropolitan area that were negatively impacted by the entry of Uber without legal permission. "It's no secret that Uber's entry into the market, in many cases, has had devastating consequences for the livelihoods of existing licence holders and drivers in the Victorian taxi and hire car industries," Mr Slade said in a statement.



Taxi drivers protested against the Victorian Government legalising Uber earlier this year. Pic: Eddie Jim

"There may be grounds for a class action to recover losses on the part of those affected ... We know there are thousands of taxi and hire care operators and licence holders and we would anticipate strong interest from those that have felt the impact of Uber's alleged unlawful entry into the Victorian market."

Mr Slade told *The Australian Financial Review* it was too early to put dollar figures on how much Uber could be expected to pay taxi operators and that it was closely watching developments in Canada. He said Maurice Blackburn was investigating a number of issues regarding how Uber entered the market and the impact it had on existing operators.



Uber is now operating legally in Victoria, including at Tullamarine Airport, but could face a legal challenge over its operation in the state prior to August. Pic: AP

This includes potential breaches of the Transport Act, and conspiracy by unlawful means, which resulted in loss and damage.

"We expect the losses to be significant, but we will get a better idea of that once we've had some time for people to register and we are able to assess that in more detail," Mr Slade said.

"We anticipate the volume of participation to be strong, but the losses of those participants will be a large determinant of the commercial viability of the case." The law firm said that taxi drivers could register to be involved, without facing any costs until there was a successful outcome, and that it was still in the process of assessing the viability of the claim. It will only proceed if enough claimants register to participate. When contacted for comment about the likelihood of a class action against it, and the likely impacts of such a move, Uber Australia declined an interview and sent a prepared statement from spokesman Mike Scott. "We're confident in our position and will continue focusing our efforts on delivering a great service to Victorian riders and drivers," it said.

<http://www.afr.com/technology/apps/uber-faces-victorian-taxi-industry-class-action-over-illegal-operation-20171121-qzpuo6>