

ON-DEMAND TRANSPORT INDUSTRY

Statement

HON SIMON O'BRIEN (South Metropolitan) [6.22 pm]: The house should not adjourn until it receives this information on behalf of the on-demand transport industry. The recent changes in levies for passengers for what is now known as the on-demand transport industry have been problematic ever since they came into effect on 1 April—and some have suggested that that is a singularly appropriate date. In particular, I want the house and the government to take note of the adverse impact that this is having on the class of vehicles and business operations that were previously known as small charter vehicles, or SCVs. Of course, to over-generalise perhaps, what we now have is a universal all-in system. The old categories have been supplanted and they are on-demand transport vehicles.

Successive governments have agonised over this in recent times. We all know about the advent of Uber and others and how that has distorted fundamentally what has been an over-regulated market for many, many years. As ever when deregulation is carried out, or, indeed, even if there is just tinkering with a regulated system, it has a ripple effect that affects many people and, inevitably, those who were involved in the former regulated system are losers. One thing that the government seems to have achieved with its current program is that it is not a matter of some winners and some losers; there just seem to be a whole lot of losers among those who have been contacting me and other members about what has been going on. A person known to me who has been involved with the SCV industry for many years anticipated prior to 1 April that it would be a very difficult process. I know that he has made his representations to government over a period. Most recently, it has been reported to my office that the initial reaction, only a week or two into the system, is that all is not well. Drivers are finding that it is a complex system to join up to and register with, so there is a further imposition just for that. He reckons it took him about a month to do so. A considerable amount of record keeping is required, including the dates of trips, client details, pick-up and drop-off times and distances travelled. There is a need to record what parts of each journey are inclusive of the levy, because, as I am advised, some components are not taxable, such as the use of car seats, use of a trailer and wait times at airports. My constituent complains that there is a complicated formula for every journey to work out what levy needs to be paid. There is a need to work out which drivers are registered or not. Some drivers my complainant uses when there are lots of jobs on—they are referred to as off-load drivers—may not have registered on the system. In that case, he also needs to work out the levy on their journeys; whereas if an off-load driver is registered, they do their own paperwork and, if they are all involved in the same business or with the same vehicle or vehicles, that adds a further level of complexity. The fellow I know in the industry said that on Monday he had 13 journeys to work out, and to fully comply with documentation requirements, it took him an hour and a half to work out the amount payable. He believes it is unworkable and it will probably take one day out of the seven-day week just to do the paperwork.

Some of this can no doubt be attributed to teething troubles, with people trying to gain familiarity with a new system invented, of course, by a bureaucratic machinery that typically is not sympathetic to owner-operators, who just need to get out there, provide the service to their clients and get on with making a living. It is not about doing returns and endless paperwork under different definitions and keeping spreadsheets and all of that. Sure, when a person runs a business, there are things they have to do. They have to do their business activity statement and all the other bits of paperwork, but it seems to me that SCVs in particular are being saddled with a very heavy workload. I want the government to take note of that.

The question of how this has come about was raised with me some little while ago. Members may recall that on 21 March in this place, I asked a question without notice of which some notice had been given about the regulatory impact assessments associated with the enabling legislation and the overall program. I asked —

- (1) Why were the documents prepared in mid-2017 not published until this month?
- (2) What will be the total cost of the new policy to the on-demand transport industry and consumers, respectively?
- (3) In relation to (2), how do these figures compare with the costs estimated and cited by government when the enabling legislation was being considered by Parliament?

I was told —

- (1) The regulatory impact documents are not made publicly available until the regulatory decision has been made public in its final form. The regulatory impact documents published in March 2019 relate to the Transport (Road Passenger Services) Act 2018 that was passed in October 2018 and the regulations gazetted on 26 February 2019.

I thought this information was meant to be made available in advance, not after the fact. The answer continued —

- (2) An annual estimate of \$29.5 million will be collected by booking services. The levy will cease when costs are recovered. —

That is some good news, of course —

A booking service can choose not to pass on the levy to consumers.

Small charter vehicles are a bit of a different category from a lot of the former categories. Finally, in answer to my question about how the figures compared with the costs estimated and cited by government when the enabling legislation was being considered by Parliament, the answer was —

(3) This figure is presented in budget paper No 2 of the 2018–19 state budget.

I do not know why, but when we ask a question, ministers cannot just give the answer instead of telling us to go and look at some other document or website or something, but that is what they tend to do. It occurred to me when it was pointed out that in fact there was a regulatory impact assessment; it appeared on the Department of Transport website very recently, and it coincided with me asking these questions about where the information was. I went to the website and I could not find it. I did not have a 12-year-old kid with me to give me a hand, so I had to come and ask another question and the honourable minister rescued me, and I thank him for that.

What I am putting to the government is that despite all that, there are documents from May and July 2017 that clearly show that the cost to industry of the new system is \$50 million to \$60 million, and that the cost to consumers is \$200 million, so how does one reconcile these figures? It concerns me when I am further advised that the reason why these figures were not released—that is, that it is costing a lot more than anyone can remember the government saying it was going to cost, to both the industry and the consumer—was that if the government had given out that information at the time, the Liberals in Parliament might not have supported the legislation. As Hon Nick Goiran knows, we are all getting a bit sick of having relevant information that we ask for not being given to us in this house when we are considering legislation. It strikes me that this is another example of that happening. I hope not, but perhaps the government can address these concerns.