

Mr Mark McGowan; Ms Rita Saffioti; Mr Frank Alban; Mr Dean Nalder; Mr Peter Abetz; Mr Chris Tallentire;  
Mr Rob Johnson

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**TAXI PLATE OWNERS — COMPENSATION**

*Matter of Public Interest*

**THE SPEAKER (Mr M.W. Sutherland)** informed the Assembly that he was in receipt within the prescribed time of a letter from the Leader of the Opposition seeking to debate a matter of public interest.

[In compliance with standing orders, at least five members rose in their places.]

**MR M. McGOWAN (Rockingham — Leader of the Opposition)** [3.06 pm]: I move —

That this house supports a fairer deal and greater monetary compensation for taxi plate owners than is contained within the Taxi Amendment Bill 2016.

Mr Speaker, I welcome the taxi drivers who have come to Parliament today for this event.

[Interruption from the gallery.]

**The SPEAKER:** You people in the public gallery are quite entitled to be here. You are quite entitled to listen. You are not entitled to clap or shout out. You have to be quiet in the gallery. You are quite entitled to listen but please do not make a noise in the gallery.

**Mr M. McGOWAN:** This motion is all about treating small business people and small investors fairly. Taxi plate owners are often drivers, but, in any event, taxi plate owners are generally small business people. They have often invested their life savings and are often people from migrant communities who have arrived in Australia and used all their savings—often all their families' and extended families' savings—to invest in a business that, up until now, has been regulated and competitors have been unlawful. That approach to taxis that has now been in place for time immemorial has meant that the value of a taxi plate has been significant and that people invested on the basis of the existing law as it stood. These taxi plate investors have relied upon the law in their investment decisions. When I have met taxi plate investors—often drivers—they have told me that they have spent large amounts of money buying their taxi plates or they passed up the opportunity, until recently, to sell their plates because the prices being offered did not reflect the market's conditions as it was then. They have remained in the industry based upon the regulatory environment that has been enforced by the state for a long time. As I said, these people have used their life savings and/or the life savings of their extended families. When members meet these people from migrant communities—I recently met some in my electorate office—they have done exactly that. They are heavily mortgaged and heavily leveraged, and they have used all their savings to enter into this business based upon the law as it stood. It is a matter of fairness how these investors—these people—are treated based upon the situation that now exists.

We understand, and I think the industry broadly understands, that services such as Uber have arrived. In 2008, the then Labor government proposed to deregulate the taxi industry and offered a significant compensation package. The Liberal Party opposed that compensation package. That is a pity. That package would have provided compensation of \$225 000 per plate. The government has spent years delaying and dillydallying on this issue. It has now come out with a package that is clearly unfair and does not reflect the investment decisions that people have made. Those decisions were based on the Taxi Act 1994. That is a law that has stood for a long time. These people are not billionaire or multimillionaire property or mining investors. These are small business people, earning a living each day. Recently, a taxidriver came to see me in my office. He is actually an engineer, and he has come back to help his father run the family taxi business. He has advised me that for a full 12-hour working day, he made \$100. Once upon a time, the business would have made a lot more money. However, with the arrival of these new services, which are large unregulated, the value of people's taxi plates has significantly declined.

Like a lot of members, I often go to events on a Friday night. I have been at Crown casino every weekend now for the past four weeks for various functions and events, and there is always a line of taxis outside, waiting for customers. Once upon a time, the situation was very different and there were a lot of customers; therefore, the value of the taxi plates that people had acquired was significant. Why is the taxi business different from any other business? Why should we just take the view that ordinary market forces prevail, and businesses go up and down? It is because the taxi industry was regulated by law, and people made investment decisions based on what was in effect a state guarantee. I understand that historically, a lot of taxi plate owners bought their plates from the state. People based their investment decisions on arrangements that they thought were regulated by law.

In 2014, the Minister for Transport himself indicated that he would prosecute Uber for breaking the law. The situation has now changed. I understand that Uber is here to stay. I understand also that a lot of consumers like the service that Uber provides, in particular younger people. The question is how we should manage this situation that we are confronted with. In my view, the Taxi Amendment Bill 2016 is clearly not sufficient. We need to look at how we can compensate people who will be adversely affected because they had based their investment decision on the fact that the taxi industry was a government-regulated service. It is all about transition. The government has

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been struggling with this situation for a number of years. Other states have taken action. The Liberal government of New South Wales has taken significant action.

**Mr D.C. Nalder:** How?

**The SPEAKER:** Minister!

**Mr M. McGOWAN:** The NSW government has come out with a \$250 million compensation package for taxi operators. In Western Australia, the offer is a \$27.5 million package. The NSW package involves a payment for individual taxi plate owners. It also involves a much, much more significant additional offer that is directed specifically towards hardship payments. In New South Wales, for 7 100 plate owners, there is a \$250 million package on offer from the New South Wales government. New South Wales has about three times the population of Western Australia. Our offer for the owners of taxi plates is roughly one-tenth the size of the New South Wales offer. In South Australia, a \$34 million package is on offer. Bear in mind that South Australia is a much smaller state than Western Australia and it has fewer taxi plate owners. We can do the maths. In effect, Western Australia is offering the lowest amount of support and compensation for taxi plate operators of all the states.

**Mr D.C. Nalder:** That is not correct.

**Mr M. McGOWAN:** The minister can speak in a minute. The minister should treat these plate owners with a bit of respect. The nasty way in which the minister is dealing with small business people —

**Mr D.C. Nalder:** Be factually correct!

**The SPEAKER:** Minister for Transport, I call you to order for the first time. If there are any factual inconsistencies, you can bring them out in the future.

**Mr M. McGOWAN:** All I am saying to the government is: treat these people fairly; treat them at least as well as other state governments across Australia are treating people who are in the same situation.

According to the rules of the Liberal Party and the National Party, every member of those parties can vote in this house as they wish. Therefore, the question for members of the government is: are they prepared to vote for fairness for taxi plate owners—the people in the gallery today—or will they just follow the Minister for Transport and the Premier in their unfair deal and toe the government's line?

**MS R. SAFFIOTI (West Swan)** [3.16 pm]: The motion before the Parliament today is pretty simple. It is about getting a better deal for taxi plate owners. We believe Parliament should support this motion. Stage 1 of the taxi reform is here. In two weeks, significant changes will be made to the regulation of the taxi industry. This government has not been able to provide certainty and clarity to the people who have invested their life's savings in the taxi business. The stage 1 reform is in three parts—administrative, regulatory, and legislative. As I understand it, many of those changes will take place on 4 July this year. However, there is nothing for taxi plate owners.

**Mr D.C. Nalder:** Yes, there is.

**Ms R. SAFFIOTI:** There is nothing for taxi plate owners. There is legislation. However, the government has not brought in that legislation. That legislation fails the test of fairness. The way the government has treated these people in the community is deplorable. The government would not have treated other people in this way. We all know that. The government has dismissed the concerns of taxi plate owners and it has relegated them to the corner in this debate. The government has not treated these people fairly, and we all understand that. The government has not recognised their hardship and their plight.

Let us go through the history, because it is important that people understand how we got to this point. Remember, in two weeks, we will have deregulation. What is the government offering to taxi plate owners? In August and September 2014, the government was briefed that Uber was coming into the market. In October, Uber X came into the market. Both Uber and Uber X were unregulated. However, the government failed to handle that situation. The government did not get its compliance activity in place, and, as a result, the government let them do what they wanted to do. Let us face it; that is the fact. In July 2015, the government released a green paper. The government went to consultation. However, the government did not listen to the people. It asked for their views, but it did not listen to them.

In December last year, one day after New South Wales announced its reforms, the government released a statement about taxi industry deregulation. The government said in that statement that the reforms would be introduced in two stages. The first tranche of the reforms would be introduced in July 2016, and the second tranche would be introduced later this year. That was in December last year. In May this year, the minister said in the chamber that there would be reform, but that it had changed slightly. The minister said that there would be interim initiatives, including the removal of the five owned taxi plate cap and transition assistance, and he brought legislation to the house. Then, the minister sat in the chamber. I do not know what has happened to the legislation. That legislation

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was not fair. We have asked the minister 100 times to get a better compensation package. The minister should not laugh, because, honestly, he has treated people with contempt. It is simply unfair that this has happened just because these people do not live on the terrace and do not meet the minister in the appropriate clubs. Let us face it, the minister has treated —

Several members interjected.

**Ms R. SAFFIOTI:** That is exactly right, and we all know it.

Several members interjected.

**The SPEAKER:** Thank you, through the Chair, member.

**Mr F.A. Alban** interjected.

**The SPEAKER:** Member for Swan Hills!

**Ms R. SAFFIOTI:** We had deregulation by stealth for two years. The minister was going around and he did not know what he was doing—he did not prosecute anyone and he let people do whatever they wanted to. In the meantime, the plates devalued. What have we got now? The minister has come into this place and introduced another factor, which it is important for people to know about. There are private plates, there is Uber and there are government-owned plates that are leased to drivers and managers. The minister is reducing that lease fee from approximately \$13 000 per annum to \$1 000 per annum. That is what the minister has done. That has immediately impacted upon the value of the private plates. The private plate owners have had two impacts—one by Uber and now by the reduction in the cost to lease plates, which directly impacts the private plate value. That is the decision the minister has taken. I do not know where that decision came from, but the minister has taken that decision and it has directly impacted private plate owners. I do not know why the minister cannot see that. After two years of deregulation by stealth, with another two weeks to go until the regulations come into force, the minister is all over the place. The minister may laugh.

**Mr D.C. Nalder:** No.

**Ms R. SAFFIOTI:** The minister does laugh.

Several members interjected.

**The SPEAKER:** Thank you; carry on through the Chair.

**Ms R. SAFFIOTI:** I seriously do not know how the minister cannot feel for these people. There is two weeks to go and the minister is all over the place. He has not sat down and taken this issue seriously. The transition from a highly regulated market to a non-regulated market, or a partially regulated market, is not easy. We have seen that from industry to industry—it is not easy—but the minister has to get involved. The minister has to sit down to try to get a fair outcome, but he has refused to do that. The entrance of other competitors in the market is one factor, but the impact of the new lease fee is driving the value out of the plates. The minister has not really undertaken proper consultation with the people who have skin in the game—that is, the taxi plate owners. The minister has not done that.

The minister keeps saying that there are other things such as that taxis will still have rank and hail, which represents 60 per cent of the market; that is just not true. If the minister were to go out on a Saturday night, he would know that it is not true, because it would be there in front of his eyes; it cannot be true. In particular, from an economic point of view, even if the minister believes that it is true, because there are government-leased plates and private-leased plates, the benefit would accrue to both and it would not differentiate the value of private plates versus government plates anyway. What the minister is doing is not logical. He is creating a two-tiered security system—some cars with security cameras and some without. The minister is not putting in a basic protection for drivers and customers. Ultimately, the minister does not need to look at what will happen tomorrow, but he needs to look at the sustainability of the industry. Taxi services are an essential part of our society. What can we do to create a sustainable industry into the future? I do not want an industry in which anyone can drive a car one night and exit the industry the next day. When some people can pick off all the profitable bits and erode the conditions for everybody else, I do not believe that is a good, sustainable industry. The minister has a responsibility to deliver an industry that will work for Western Australia, for drivers and for passengers. I understand that it is a difficult balance. You know what? I do not want to hear stories about someone's experience in a taxi or in an Uber car—I do not really care. I want an industry that works for the future, and the minister has not done that!

The minister has a \$20 000 assistance package and a hardship fund. Last week, I asked the minister what hardship is. The minister replied —

I have not been provided with the final definition of hardship, but we will continue to monitor that, nor have I been provided with any information about the level of claims at this point in time.

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How can the level of claims be known as the fund has not been set up? The minister has allowed people to experience hardship for two years and he is bringing in reforms in two weeks but he does not even know what he is doing with the hardship fund. I ask the minister to sit down with some of the backbench or, if he wants to, with some opposition members—maybe not me if he does not like me, but with other people on my side of the chamber. Minister, sit down and let us get an approach to this issue that works for the community for the longer term. We owe that to the public, to the drivers and to the plate owners. As I said, it is not the best job in the world. Taxidriviers are insulted and it is a tough job, but they do it and many are proud of the job that they do. Many of the taxidriviers I have met have invested their time and effort into providing a quality service for many. Please, minister, take this seriously and do not laugh and belittle us because we represent a sector of the community that wants a fair deal. They want to be at the table with the minister; they do not want to be thrown the scraps from the table. That is what the minister is doing. The minister has no emotional or intellectual investment in this issue, and, as a result, he has a package that fails the community and fails many taxi plate owners—many of whom are experiencing significant hardship. Remember, you guys are meant to represent small business, but time and again you have ignored what small business is doing in this community—and this issue is yet another example of that.

[Interruption from the gallery.]

**The SPEAKER:** I have asked you already not to clap and make noise in the gallery.

**MR F.A. ALBAN (Swan Hills)** [3.27 pm]: I first of all declare that I have never travelled with Uber. I may be old-fashioned. If I make a judgement on Uber, perhaps it will not be correct because I do not know a lot about Uber. But I thought that collectively we are about doing the best we can for all the taxi industry. I know that some parts of the industry are suffering more than others.

**The SPEAKER:** Can you move back from the railings and sit down, please.

[Interruption from the gallery.]

**The SPEAKER:** Remove that man from the gallery, please.

[Interruption from the gallery.]

**The SPEAKER:** That is just being totally unreasonable.

**Mrs M.H. Roberts:** Why is the transport minister not responding?

**Mr F.A. ALBAN:** You might like me if you listen.

**Mrs M.H. Roberts** interjected.

**The SPEAKER:** That is enough!

**Mr F.A. ALBAN:** The taxi industry has many sectors with complex issues, and, as we know, Uber is not going away any time soon. The taxi industry has management and taxi dispatch services. We know about the owned plates—I understand that there are 1 035 of them—that have caused a great deal of concern for a lot of us, not just opposition members. There are also leased plates and, of course, the drivers.

**Mrs M.H. Roberts** interjected.

**The SPEAKER:** Member for Midland!

**Mrs M.H. Roberts** interjected.

**The SPEAKER:** Member for Midland, I call you to order for the second time.

**Mr P. Papalia** interjected.

**Mr F.A. ALBAN:** I have heard some of the member's speeches on this issue, so he should not get too excited.

At the moment, they are all worried about their own space. As has been said, with the advent of Uber, there has been a great deal of change that needs to be dealt with. It is not just about competition and adjusting the brand, product or service; for some, the very survival of their families is at stake. Ten taxi owners came to my office on 7 June. I know that was the date, because I drafted a letter to the Minister for Transport on the same day. I could fit only 10 in my office, but I was happy to talk to them, and they raised a lot of points. They came to see me with a stack of issues, and a stack of papers, and I gave them the advice that I give to all people who come to see me in my electorate office: "Tell me your issues on one A4 page." They did that, so I drafted a letter to the Minister for Transport, and gave them a copy. It was very unusual, but that copy immediately went to the member for West Swan, so I am pretty sure we are all arguing about the same issues. That was very gracious of the member. The issues the taxi owners raised were very sincere: Uber is deregulated and responsible to no-one; it can employ foreign students with no oversight on the hours worked; drivers are not obliged to have cameras in their taxis—I am not sure whether that is true—they have no training; and there is no required identification. The most important

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issue is that Uber fares are not regulated, but those of the regular taxi industry are. Obviously, there is no level playing field. A very small point that magnifies the issue is that as taxis leave the airport they pay \$3, and I understand Uber does not do that. Other factors have also come to light.

I will not mention everything that the government has done about the 20 000 initial payments, and all the other payments, but the fact is that a part of the taxi industry is under considerable threat—the taxi owners. They are under threat, because not only their income is threatened. Like most of us, when we make an investment, they have mortgaged their houses. They are not the only people who have ever made a financial commitment and taken a risk. I would rate as one of the silliest ones—I have bought three farms in three different states, and that is a worse investment than a taxi.

Several members interjected.

**Mr F.A. ALBAN:** I have survived many a Labor government.

**Mr P.C. Tinley** interjected.

**The SPEAKER:** Member for Willagee, I call you to order for the third time.

**Mr F.A. ALBAN:** Often an industry is stronger with change, but my concern is for the normal mum-and-dad businesses that all of us, on both sides of this chamber, should be supporting, and the effect this may have on their financial lives.

An opposition member: Turn the page.

**Mr F.A. ALBAN:** I have the attention of members opposite at the moment.

Another issue raised, which I thought was one of the most interesting, and I have heard this before, is that we are using 60 per cent of the rank and hail jobs for the taxis, but I understand that by using smart phone apps, that no longer has any credibility, and has been quite weakened. I do accept, as members on both sides have said, that the boom is over, and there are very few peak periods for private taxi owners to recoup their income. With this in mind, I would like to move an amendment to the motion.

Several members interjected.

**The SPEAKER:** Member for Warnbro, you are on two calls. Member for Butler, member for Willagee, let the member read out his amendment.

*Amendment to Motion*

**Mr F.A. ALBAN:** I move —

To delete all words after “supports” and insert —

the Minister for Transport continuing to examine an adjustment package for the taxi industry as part of ongoing consultation on the reform of the on-demand transport industry.

**MR D.C. NALDER (Alfred Cove — Minister for Transport)** [3.35 pm]: Thank you, Mr Speaker. Firstly —

**Ms R. Saffioti** interjected.

**The SPEAKER:** Member for West Swan, I call you to order for the first time.

**Mr D.C. NALDER:** Firstly, I would like to correct some of the misinformation put out by the Leader of the Opposition and the member for West Swan about what is on offer, and what the government has been trying to do. We acknowledge that this has been a tough issue to work through. I said from the outset that I was not happy with the way that Uber entered the market. I have also shared that the staff of the Department of Transport were blacklisted from being able to catch Uber, and that restricted our abilities to monitor what was going on. I have shared that we have had to employ investigators to try to track what was occurring. I have shared that the legislation has had a focus on the operators of vehicles and not enough focus on dispatchers, and that has limited the ability of government to intervene in what has been going on.

When the Leader of the Opposition talks about the packages being offered by other states, he omits what the value of the industry in the other states is relative to ours. It is factually incorrect that we have fewer owned plates than South Australia has; we have pretty much exactly the same number. South Australia’s package is very similar to ours, except that ours has the benefit of removing licences from the industry. Just to make sure there is a clear understanding, I want to run through this. New South Wales made an offer of \$20 000 per plate, but it was limited to two plates. We have not had any limit on the number of plates. I have said that we need to finalise defining the hardship fund, and the advice that we have had from KPMG and the department is that \$6 million is suitable. I have always said that we will need to monitor it to ensure that people are treated fairly. When I compare what is

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going on in the other states, I am actually quite comfortable that we have moved this in the right direction. But, have we finalised what needs to happen, and what is going on within the industry as part of the transition?

In Western Australia, the situation is that 60 per cent of taxi plates are leased from the government and are not privately owned. As part of the process, we have retained some 400 of those leased plates, to reduce what was in the market. If other jurisdictions were to do this, particularly New South Wales, it would cost close to \$200 million. This has not been taken into consideration as part of the package of what we are trying to do. We have also said that we will continue to regulate the rank and hail, and ensure that that area is protected. When I met with taxi owners on Friday, I acknowledged some of the difficulties around that, particularly with regard to private property. I have been receiving advice from the department, which continues to monitor the volumes and the data.

In the month of May—sorry, I will go back one step. In the meeting with a number of taxi plate owners on Friday, they indicated that in their view the rank and hail had dropped down to 20 or 30 per cent and not to what we have been saying, which was up to 60 per cent. The information I have—I only received this last night—is that in the month of May the rank and hail accounted for 53 per cent of the total volume.

[Interruption from the gallery.]

**The SPEAKER:** If you do not agree with what people say in here, you can go and call a press conference outside. Let the minister speak.

**Mr D.C. NALDER:** We base that information on what we received from the dispatchers that provide the activity levels going through both Black and White Cabs and Swan Taxis. I am not trying to stand here and argue the merits of whether they are providing us misinformation or not; I am providing information we have received as a government that advises us that 53 per cent of all deals undertaken by taxis in the last month were through the rank and hail.

[Interruption from the gallery.]

**The SPEAKER:** Is there security up there?

**Mr D.C. NALDER:** We know that challenges are being faced by the industry, and I have had the challenge of trying to work through and identify a fair and practical approach to take. This is what I will put on the table to the opposition, because it is making and admiring a problem, yet it does not realise it has an opportunity to address it itself. The opposition is failing to do that in this house in front of the people in the gallery.

**Ms R. Saffioti interjected.**

**The SPEAKER:** Member for West Swan, I call you to order for the second time.

**Mr D.C. NALDER:** What we have said and what we are doing is that two tranches will be occurring. The first tranche I have talked about is in respect of ensuring we provide access to the taxi industry development account funds. That will allow us to make a \$20 000 payment straight to all the plate owners. The member for West Swan said that there is nothing. We are saying that once we get this legislation, and I have introduced it into Parliament —

Several members interjected.

**The SPEAKER:** Members!

**Mr D.C. NALDER:** I assume the legislation will be debated in the next two weeks and as soon as it goes through —

Several members interjected.

**The SPEAKER:** Members!

**Mr D.C. NALDER:** This will allow us to make the first payment of the \$20 000 to every licence. In New South Wales it was limited to two plates. We are not doing that. Those who have more plates, up to five plates, will receive an immediate payment of \$100 000.

There are also a number of other initiatives that will go in tranche 1, but we have said that there will need to be a total reform of the Taxi Act, which is a lot more complex and needs to be rewritten in full. As part of what we are doing, we are also opening up a hardship fund. This is what the debate tends to centre around. In discussions I have had with members of Parliament of the Liberal Party it has been argued, and it is being argued on the other side, that the hardship fund itself is not enough. The recommendation that was put up by the department, which has come through from KPMG, is that \$6 million would be more than enough. We must acknowledge that things have been tougher with the changes and headwinds that the current Western Australia economy is facing. We are not looking to compensate people for the impact of the economy; we are looking to understand the impacts of the reform and ensure that we have processes in place to help the industry transition to a new environment. As part of

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that process, an independent company has been working through those definitions. I received a copy of those for the first time this week. I have challenged some of the processes that were identified. I acknowledge that we will continue to discuss this in cabinet and in the Liberal Party room because we need to continue to monitor this to determine how we work through it.

**Mr P. Papalia** interjected.

**The SPEAKER:** Member for Warnbro!

**Mr D.C. NALDER:** I have advised before in this place that not all taxi plates were purchased at \$300 000. In fact, not in any one given year has the average purchase price of taxi plates in Western Australia exceeded \$300 000. As I have said before in this house, in 2006 the average price, or transfer price, was \$230 000. In 2008 it had dropped to \$208 000. Around 2012 to 2014 it averaged at around \$280 000 or \$290 000 over the year. When we talk about the plates, some have been held for a long time, whereas others have been held for a short time. There are a number of issues that need to be thought through when looking at the impact on the industry, so we will continue to work through it.

**Mrs M.H. Roberts:** What are the impacts on the drivers?

**Mr D.C. NALDER:** Today's discussion is centring around one element within the industry—that is, the plate owners, as I have shared, and we continue to monitor it. We will make public what the definition of hardship is.

**Ms M.M. Quirk** interjected.

**The SPEAKER:** Member for Girrawheen!

**Mr D.C. NALDER:** I am interested in ensuring that it is fair and transparent.

[Interruption from the gallery.]

**The SPEAKER:** Thank you.

**Mr D.C. NALDER:** I have said that there are two tranches here, and the first one is to initiate the payment of \$20 000 per plate. This is been more generous —

**Mr P. Papalia** interjected.

**The SPEAKER:** Member for Warnbro, it is up to you now. I am not going to speak again.

**Mr D.C. NALDER:** This has been more generous than in other jurisdictions, particularly New South Wales. We have said that the Taxi Act itself will require much broader changes, and this is interesting for members of the opposition.

**Ms R. Saffioti** interjected.

**The SPEAKER:** Member for West Swan!

**Ms R. Saffioti:** Two years and you have done nothing.

**The SPEAKER:** Member for West Swan, I call you to order now for the third time.

**Mr D.C. NALDER:** I would like to refer to the member for West Swan's comment in which she said we have done nothing. This is one of the last jurisdictions —

Several members interjected.

**Mr D.C. NALDER:** Opposition members will not like this, because they know they are not telling the truth. Uber arrived in Western Australia later than in other jurisdictions. The member says we have done nothing, yet we are making more favourable opportunities for taxi plate owners than other jurisdictions have done. We have removed from the taxi industry 20 per cent of all the plates in the marketplace to make it more viable. We are making \$20 000 available for every licence. We have created a hardship fund and, as I said, this is where the concern is. We have made that decision that the hardship fund is at \$6 million and we have to define exactly what the criteria are. We have always said will continue to monitor it. When we do tranche 2—which will include the legislation—it is likely that given the time we have left before an election, the opposition will have the opportunity to put this legislation through. If the opposition is so courageous in stating a claim, and if it reckons that we have not been doing this properly, how about it fronts up and says what offer it is making?

**Mr P. Papalia** interjected.

**The SPEAKER:** Member for Warnbro, I call you to order for the third time.

**Mr D.C. NALDER:** The opposition can put up what it will do. All the opposition does is sit here and admire the problem.

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**Ms R. Saffioti** interjected.

**The SPEAKER:** Member for West Swan!

**Mr D.C. NALDER:** We are continuing to monitor the situation. We have removed 20 per cent of the taxis out of the industry. We are providing a \$20 000 transition allowance for every licence. We have set up a \$6 million hardship fund. There is an opportunity; we have not reduced the fares on taxis. If a person is an owner-operator, there is no reduction in the income stream that they can generate per fare. One of the challenges that we have had is that the broad community does not believe that the service standard that the taxi industry has been providing is good enough. That is why the broader community has been attracted to the proposition from Uber. As an individual I have not caught Uber and I do not intend to.

Several members interjected.

**The SPEAKER:** Members!

**Mr D.C. NALDER:** To be honest, it is an organisation I have little confidence in.

**Mr P. Papalia** interjected.

**The SPEAKER:** Member for Warnbro, don't!

**Mr D.C. NALDER:** We are continuing to monitor the situation, as I have said. I want to quickly touch on what is occurring in the space. As at February, Uber decided to discount its fares further. I understand it has also increased the commission it takes off the fares. It is now in the vicinity of 30 per cent under the taxi price and it is also taking up to 25 per cent commission on the fare; I believe it was 20 per cent and is moving to 25 per cent. Irrespective, I have a concern that there are a number of Uber drivers out there who do not fully understand the true cost of running a car and therefore are looking at it purely on the dollars they can put in their pocket and the fuel price, and do not understand the maintenance impact and the depreciation impact on their vehicle. I have concerns that dispatchers may be operating in such an environment. Part of what we are doing as tranche 2 is developing a code of practice.

**Mr F.M. Logan** interjected.

**The SPEAKER:** Member for Cockburn!

**Mr D.C. NALDER:** I want to ensure that people who operate for alternative dispatchers understand what the true cost of operating a vehicle is. I am concerned that Uber is underpricing at this time.

We want to understand the impacts of the reforms. We want to work through what is a fair approach to take with the taxi plate owners, but we do not want to be paying them for the changes in economic circumstances that the state faces. We have seen the reduction in the values of plates over time, whereby they go up and down based on economic circumstances. We are trying to understand the true impacts of the reform and ensure that what we provide is fair and reasonable. We will continue to work through that. I continue to report back into cabinet and into the party room as to what is a fair and reasonable approach to take. We will continue to do that in the best interest of not just the consumers but all those who operate within the industry.

**MR P. ABETZ (Southern River)** [3.53 pm]: I have many taxidriviers in my electorate. There would be at least several hundred who I know of and there may well be 300 or 400; I am not quite sure how many there are. I have taken a keen interest in the taxi industry, right from the time that I was elected. At that time, taxidriviers were coming to see me because they were unhappy with the previous Labor government's decision to not allow them to buy plates with the introduction of lease plates. I argued with the taxidriviers, saying that I believed that lease plates were the way to go, because in times of economic downturn when it was more difficult to earn a living driving a taxi, or when people retired or handed in their lease plates, the government could take those plates out of the market and therefore make it viable for those people still in the industry. With the downturn, I have been vindicated in that position—having lease plates gives the government the flexibility to take plates out of the market at certain times; and if there is an increase in demand, it can feed some of those plates back into the market. That is just one point.

Another point I would like to make is that my interest in the taxi industry was also during the time of the boom, when we had many Indian people on student visas driving taxis. I was told by many of the drivers that the Indian students were driving 60 to 70 hours a week. I went out to the airport at night from 11 o'clock to about 1.30 in the morning. Where the taxis line up, I went along the queue and talked to the taxidriviers. It was interesting that the Indian students would quickly wind up the window; they did not want to talk to me because they realised they were doing something that they should not be doing. But the other drivers were quite happy to talk to me.

Several members interjected.

Mr Mark McGowan; Ms Rita Saffioti; Mr Frank Alban; Mr Dean Nalder; Mr Peter Abetz; Mr Chris Tallentire;  
Mr Rob Johnson

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**The SPEAKER:** Members!

**Mr P. ABETZ:** I have had many taxidrivers come to see me. I have had meetings in my office with taxidrivers.

**Ms M.M. Quirk** interjected.

**The SPEAKER:** Member for Girrawheen!

**Mr P. ABETZ:** The point is that there are 1034, or thereabouts, plate owners and that is obviously an issue that we are grappling with.

One of the challenges we face at the moment is that apparently there are some 5 000—that is the number I have been given; I cannot verify that—Uber drivers in Perth. My guess is that on 4 July, when the regulations come in and Uber has to conform with the new regulations, a significant number of those drivers will no longer drive because of the extra costs involved. I think they will need to pay \$274, plus extra compulsory third party injury insurance, which I understand is about \$400 a year extra for them. The drivers will need to talk to their insurance company because my guess is that a normal comprehensive insurance policy does not cover them for damage to their vehicle if they are driving and collecting fares. They will need to pay a higher insurance premium to their insurance company. All up, this will cost them perhaps \$1 000 extra a year or whatever it will be. A lot of these guys need to think about whether that will be worthwhile. An Uber driver came to my office not so long ago and he said that he was earning about \$5 an hour driving for Uber, after he had taken into account what the vehicle actually cost him. He said that it was not really worth it and he felt he was being exploited by Uber. I could be wrong but my hunch is that there will be a significant reduction in the number of Uber drivers in the months to come.

One of the real problems the taxi industry faces at the moment is that Uber drivers drive on average about 15 hours a week and they tend to drive on a Friday night and a Saturday night, which used to be the cream time for taxidrivers. There is a young fellow in my electorate who is finishing his economics degree and his dad has been driving taxis for over 30 years. He has taken me to the airport a couple of times. He is a very friendly fellow. If I have to go to the airport, I do not use the dispatch service; I give him a call the day before and ask him whether he can take me to the airport. He comes to pick me up on time; it is a very good service. His dad is getting older and to help his dad out he drives Friday night and Saturday night. He said in a good shift on a Friday or Saturday night, he used to collect \$1 000 to \$1 200 in fares.

Several members interjected.

**The SPEAKER:** Members!

**Mr P. ABETZ:** He said that nowadays he is struggling to get \$300 in fares. There are a number of issues. One is the general downturn in the economy but, of course, another problem is that Uber drivers are out in force.

**Mr M. McGowan** interjected.

**The SPEAKER:** Leader of the Opposition!

**Mr P. ABETZ:** One of the things he told me that he is experiencing in the city and in Northbridge is that Uber has its own ranks, so to speak. He actually sent me a photo. I had said, “Can you verify this with a photo so I can send it to the minister and he can see what’s going on?” I have actually sent that to the minister now —

**Mr P. Papalia:** He doesn’t care.

**Mr P. ABETZ:** He certainly does care. I have engaged with the minister many times on the taxi issue, and the minister certainly has a heart for the taxidrivers and is very concerned about the best way forward, which is why he continues to engage with us on the backbench and with the taxi industry to determine the best way forward.

**Mr P. Papalia** interjected.

**The SPEAKER:** Member for Warnbro!

**Mr P. ABETZ:** The point is that we need to recognise the problem of Uber taking the cream off, so to speak, and it is becoming very, very difficult for taxidrivers to make a living. One of the taxidrivers I know is up in the gallery; I will not refer to him by name, but he said to me that he has been driving taxis for about 30 years.

**MR C.J. TALLENTIRE (Gosnells)** [4.00 pm]: This issue is all about severe financial pressure on individual taxi plate owners and the pressure on their families. These people have huge loans. They thought they were making a sensible investment decision; they thought that, with government backing, they could rely on taxi plate ownership to make a reasonable living through their investment. They thought that was a sensible thing to do, and now what have we found? We have found that disruptive technology has come through and that the government does not care about taxidrivers or their families. It does not care about their financial plight. We have seen it here today. We have seen the stress written on the faces of the people in the public gallery and their desperation as they realise

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Mr Rob Johnson

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that the debt they will have to repay will far outweigh their income. In fact, they can see their asset base evaporating to nothing. That is the financial stress they are under.

I refer to people like Jaswant Gill, from Maddington. He has two young kids and a wife to look after, and a loan of about \$210 000. He has to make repayments annually of around \$30 000, and already his income is down to \$20 000. He has maintenance costs for his vehicle. He is doing all the right things, such as paying the insurance and upgrading his car with camera systems. He has depreciation on his vehicle, he pays his rank-and-hail fee, and he pays his car registration. These are big outlays that he has to pay, yet he is looking at having an asset that is worth nothing. He has severe financial stress. He is looking at the very real risk of losing his home.

There is also Mohammed Boksmati, a man of about 65, who worked hard for 30-plus years in the Pilbara on the construction of railroads. He took the money he earned after 30 years of working hard on some of those notable projects in the Pilbara and invested it in taxi plates; he and his wife owned three taxi plates each. They thought that was a smart investment and that they could be self-funded retirees, but what do we see? We see this government stepping back, offering them a token \$20 000 for each of those plates, and offering no real support at all. Their plans for their future retirement are gone because the government does not care about what this change will do to them as individuals. These people have thought about their retirement through careful decision-making. They have taken the risks and committed to the job of being a taxidriver and providing a taxi service—a service that sometimes does not get the respect it deserves, dealing with difficult customers on Friday and Saturday nights. They have been prepared to do that hard work and take the financial risk but now, when they thought they were in a regulated environment, they have found that their assets are worth almost nothing and are fast going to zero.

I refer to the situation for another of my constituents, Graeme Landquist. Graeme's father worked hard for his taxi plates; indeed, he was entitled to a veteran's pension after his war service, but because he had the asset of a couple of taxi plates, he was not able to qualify for that veteran's pension. He forwent that pension; he accepted that he had an asset and that he was fortunate because he had done his careful financial planning. He did not get any pension at all, but now he has found that his assets, his taxi plates, are gone.

What we are seeing here is disgraceful. The government says that it has been considering this issue and that it wants to consider it further. The green paper has been out since July last year, but the government says, "Oh, we want to consider things further." These people are facing severe financial stress right here, right now, and they deserve quick, effective decision-making and financial support from this government. Mention was made of the leased taxi plates. What has the government done about those? It has dropped their value from \$13 000 down to \$1 000. This government is making a mess all round.

I know that some members opposite have heard from the taxi industry and understand the pressure that individuals are under. They should vote with us on the original motion, which is about making sure that we have greater monetary compensation for taxi plate owners so that there is fairness and respect for the people who work in this industry, and that we do not let their assets evaporate to nothing. These people deserve our respect and deserve the government's support so that they can have their asset, and their dreams of being small business owners and self-funded retirees can be fulfilled and not just trashed by a government that does not care about people.

**MR R.F. JOHNSON (Hillarys)** [4.06 pm]: I, like most members in this Parliament, have had a group of taxi owner-drivers come to see me in my office. I had that great pleasure a few weeks ago, when quite a few of them came into my office. I made it quite clear to them when I started talking that I have always been in favour of competition; I have no problem with competition, as long as it is fair competition and it is on a level playing field. They absolutely agreed with that. They are not afraid of competition as long as it is on a level playing field.

What I heard after that really distressed me, because amongst that group was a young couple. They had one little toddler and the wife was very heavily pregnant with another one who was, I would say, due in about two weeks. They were suffering absolute distress. They originally had an off-peak taxi plate which I think would have cost about \$20 000 at the time. The husband had been a bricklayer when the building industry was booming and he was earning reasonably good money. When the downturn in the building industry came, they took advice and thought it would be a good idea to buy a peak-hour taxi plate, so they bought one that was upgraded from off-peak to peak-hour, which I think is Friday and Saturday nights.

I am going from memory here; I do not have my papers, because I did not know this debate was coming on today, but I think they paid about \$190 000-odd to the Department of Transport —

**Mr P. Abetz:** That's to upgrade it to full.

**Mr R.F. JOHNSON:** Yes, I have just said that, member. It was to upgrade it to a full plate, and they paid that to the department—\$190 000-odd.

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Mr Rob Johnson

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Now their income has dropped so much that they have mortgaged their house. They must have two children by now—hopefully, the second one was delivered safely—and their income has dropped so much that they risk losing their house because they do not have the income they need to pay back the loan they took out to buy the peak-hour taxi plate.

I feel really sorry for them. Over the last 24 years in Western Australia I have seen milk vendors being paid compensation—that was probably about 20 years ago. They were paid compensation for the loss of their business, which was regulated by —

**Mr R.H. Cook:** Potato farmers.

**Mr R.F. JOHNSON:** I am coming to the potato farmers. We have seen a reasonable compensation package for them, but I do not believe for one minute that \$20 000 is adequate. I like the Minister for Transport; he knows that. I think he is a very genuine person, but I think he has got this wrong. We cannot say that a taxi plate that people paid \$190 000 for two years ago, I think, is now worth only \$20 000 in compensation. Those people will lose their house. Some other people who came to see me were in a similar position, but it was not quite as serious as this couple's position. I felt absolutely devastated for this young couple. They have worked very hard to get where they are today. I always thought that being a true Liberal meant that we encouraged people to invest in their own business, work hard, make a good living and provide for their families. This couple did that enormously. They have mortgaged everything, and they could lose their home now. They have to work all the hours that God gave us to try to get some sort of income. They are up against Uber now. I have got nothing against Uber, but we need to level the playing field. It needs to lift its game and it needs to be regulated in the same way as taxis are. Then there would be a level playing field.

The crux of my argument and my contribution today is that it is absolutely morally wrong to take \$190 000 from a young couple to buy peak-hour taxi plates and then offer them only \$20 000. They cannot sustain that. Nobody in this house could sustain a loss of that sort of magnitude. I will vote with the opposition on the matter of public interest. I regret that the motion was amended; I do not think it needed to be. Either members support the plate owners and give them a fair go or they do not. It is one way or the other. My time is virtually up. As an Independent, I get only five minutes, but I hope that members in this place will take some note and if people in a similar situation have come to their office with tremendous hardship stories, as they have to my office, I hope they show some compassion.

*Amendment on the Amendment*

**MR M. MCGOWAN (Rockingham — Leader of the Opposition)** [4.11 pm]: I move —

To delete “continuing to examine an” with a view to inserting the following —  
increase the

This amendment will give all members an opportunity to express whether or not they support an increase in the amount of assistance to taxi plate owners. That is what today is about. I heard the minister. He is going to monitor it. He is going to follow up. He is going to look at it. It has been going on for two years now. For two years, these people's assets have been diminishing. As I and the member for Hillarys have said, people invested their money based upon a regulated system and some of them paid the government the money, yet it is offering them \$20 000 and some of them can share in \$6 million as a form of compensation. I want to read out to members what the New South Wales Minister for Transport and Infrastructure, Andrew Constance, had to say on this issue when New South Wales launched its plan. He said —

Accordingly, as I mentioned before, a \$250 million package will provide transitional assistance to industry incumbents. This includes: a \$142 million fund for taxi licensees facing hardship as a result of the changes; \$98 million for transition assistance of \$20,000 per perpetual licence ...

In other words, it is correct; it is the same—\$20 000 per licence. But they will share \$142 million in assistance for hardship. This government is offering our 1 000 drivers \$6 million. In other words, the industry assistance package in New South Wales is hugely additional to what is being offered in Western Australia.

This motion is all about whether or not the government cares about these people and the situation they are in. I heard the member for Swan Hills speak on this issue. He moved an amendment to my original motion that was contrary to the letter he sent to the Minister for Transport. On the one hand, he meets with the drivers and says that he agrees with them and he will write a letter, but, on the other hand, he comes into Parliament and moves an amendment that is against the intent of the letter he sent to the minister.

Now the situation can be repaired because members opposite can vote for the amendment that I have moved in this house and, in any event, they can vote against the deletion amendment moved by the member for Swan Hills.

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Mr Rob Johnson

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This is an opportunity for all members who have been meeting in their electorate offices with taxidrivers and people who have invested in plates—the small mum-and-dad investors whom they have assured that they are supporters of small business—to send a message to cabinet. The members for Swan Hills, Southern River and Belmont and, indeed, the Speaker can either vote for the cabinet offer or say that they want something better. That is the opportunity that is presented to members today. It is really all about whether members care about people and the situation confronting them and whether they reject the two years of indolence and incompetence that has gone on while this minister has come up with legislation that will not even be passed by his self-imposed deadline next month. It probably will not even be debated before his self-imposed deadline. They can reject the idea that the minister is going to monitor it. While he is sitting in his office monitoring it, people are losing their homes and their businesses. Ordinary people who work hard are going bankrupt while the minister is sitting in his high tower monitoring it. Seriously, make a decision and help! Members should stand up to cabinet and express their point of view. What is the worst that could happen to them? Tonight they will have to go home and go to bed and while they are lying there, they will be thinking, “Did I act ethically and in a way that supported those people who came to my office and whom I advised I supported and would help or did I just toe the line of this incompetent, indolent minister?”

*Amendment to Motion*

**The SPEAKER:** The question is that all the words after “supports” in the original motion moved by the Leader of the Opposition be deleted.

*Division*

Amendment put and a division taken with the following result —

Ayes (35)

Mr P. Abetz	Mr J.H.D. Day	Dr G.G. Jacobs	Dr M.D. Nahan
Mr F.A. Alban	Ms W.M. Duncan	Mr S.K. L’Estrange	Mr D.C. Nalder
Mr C.J. Barnett	Ms E. Evangel	Mr R.S. Love	Mr J. Norberger
Mr I.C. Blayney	Mr J.M. Francis	Mr W.R. Marmion	Mr D.T. Redman
Mr I.M. Britza	Mr B.J. Grylls	Mr J.E. McGrath	Mr A.J. Simpson
Mr G.M. Castrilli	Dr K.D. Hames	Ms L. Mettam	Mr M.H. Taylor
Mr V.A. Catania	Mrs L.M. Harvey	Mr P.T. Miles	Mr T.K. Waldron
Mr M.J. Cowper	Mr C.D. Hatton	Ms A.R. Mitchell	Mr A. Krsticevic ( <i>Teller</i> )
Ms M.J. Davies	Mr A.P. Jacob	Mr N.W. Morton	

Noes (19)

Ms L.L. Baker	Mr D.J. Kelly	Mr J.R. Quigley	Mr P.C. Tinley
Dr A.D. Buti	Mr F.M. Logan	Ms M.M. Quirk	Mr P.B. Watson
Mr R.H. Cook	Mr M. McGowan	Mrs M.H. Roberts	Mr B.S. Wyatt
Ms J.M. Freeman	Ms S.F. McGurk	Ms R. Saffioti	Mr D.A. Templeman ( <i>Teller</i> )
Mr R.F. Johnson	Mr P. Papalia	Mr C.J. Tallentire	

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Amendment (deletion of words) thus passed.

*Amendment on the Amendment*

**The SPEAKER:** The next question is that the words “continue to examine an” be deleted from the amendment moved by the member for Swan Hills.

*Division*

Ayes (19)

Ms L.L. Baker	Mr D.J. Kelly	Mr J.R. Quigley	Mr P.C. Tinley
Dr A.D. Buti	Mr F.M. Logan	Ms M.M. Quirk	Mr P.B. Watson
Mr R.H. Cook	Mr M. McGowan	Mrs M.H. Roberts	Mr B.S. Wyatt
Ms J.M. Freeman	Ms S.F. McGurk	Ms R. Saffioti	Mr D.A. Templeman ( <i>Teller</i> )
Mr R.F. Johnson	Mr P. Papalia	Mr C.J. Tallentire	

**Extract from *Hansard***  
[ASSEMBLY — Tuesday, 21 June 2016]  
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Mr Mark McGowan; Ms Rita Saffioti; Mr Frank Alban; Mr Dean Nalder; Mr Peter Abetz; Mr Chris Tallentire;  
Mr Rob Johnson

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Ms M.J. Davies	Mr A.P. Jacob	Mr N.W. Morton	

Amendment (deletion of words) thus negatived.

*Amendment to Motion*

**The SPEAKER:** Now we go back to the amendment that was moved by the member for Swan Hills. The question is that the words to be inserted be inserted.

*Division*

[Interruption from the gallery.]

**The SPEAKER:** Thank you.

Ayes (35)

Mr P. Abetz	Mr J.H.D. Day	Dr G.G. Jacobs	Dr M.D. Nahan
Mr F.A. Alban	Ms W.M. Duncan	Mr S.K. L'Estrange	Mr D.C. Nalder
Mr C.J. Barnett	Ms E. Evangel	Mr R.S. Love	Mr J. Norberger
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Mr R.F. Johnson	Mr P. Papalia	Mr C.J. Tallentire	

Amendment (insertion of words) thus passed.

*Motion, as Amended*

Question put and passed.