

TRANSPORT (ROAD PASSENGER SERVICES) BILL 2018
TRANSPORT (ROAD PASSENGER SERVICES) AMENDMENT BILL 2018

Second Reading — Cognate Debate

Resumed from an earlier stage of the sitting.

HON COLIN TINCKNELL (South West) [5.09 pm]: To recap what I was saying before question time, there are people from the taxi industry in the public gallery who commissioned a report from a global company. They spent a lot of money, time and effort. The report was given to the government back in September 2017. It really shows the direction that this government should have taken. Despite the taxi industry's response to this report and the effort they put into it, what do they get back? They are told, "Take it or leave it." That is not good enough on behalf of the government. Taxi plate owners deserve better than that. They have fitted in with the previous government's requirements in the past. They are small businesses. They need to be treated with respect, which is something that has been wanting. For the people in the public gallery, if these bills go through, I imagine they would have mental health repercussions, financial devastation, bankruptcy and family breakdowns. They are the implications of the badly thought out and badly consulted bills that the government has before us today. It is not good enough. This government needs to consult better. In the last 18 months, we have seen that this government does not consult. It makes arbitrary decisions and then expects everyone to be happy. The government cannot come up with bad bills and bad legislation because it has a debt to pay. Government members still have to do the work. They need to work with industries and small business people in the community to make sure they have it right. Alternatives have not seriously been looked at, and that is the real problem here. In their alternative, taxi owners talk about a level playing field. In their alternative, they talk about a fair and reasonable buyback scheme. In their alternative, they talk about having no cost to the public. In their alternative, they talk about being repaid in a short time. These are the options for taxidrivers and taxi plate owners, and all the other drivers in the on-demand industry, contributing together to provide the funds for a fair payback because the system that is being put before us here today does not stack up.

One of the reasons that taxidrivers have really struggled—this is the biggest problem—is that the government is trying to fix the problem, but it has not done a good job so far and the previous government mucked it up. The previous government was not strong on this and taxidrivers have been left hanging in the balance. We have even heard members of Parliament saying, "It's okay because the country will be exempt." That is just not good enough. I heard from Minister Saffioti that the country had been made exempt over 12 months ago. Quoting things like that is not up to standard. It is letting down people in the industry and other people of Western Australia. It does not achieve the outcomes that are needed. These people have been severely let down. The report is very thorough. It is by a reputable global company that took the time to do it. People in the gallery and others have put a lot of time into this and they have not received justice at this stage. We will put through some amendments later on if these bills get up. We hope those amendments will be seriously looked at. Hon Robin Chapple will get into this in more detail, but when I look at things that are important here, I wonder why we want the public to pay for this.

The ACTING PRESIDENT (Hon Robin Chapple): Member, were you referring to me as the Chair?

Hon Sue Ellery: You said Robin Chapple instead of Robin Scott.

Hon COLIN TINCKNELL: Sorry; thank you. I got the name wrong. There are too many Robins and too many Colins in the house! Sorry, Mr Acting President.

As I mentioned before, why do we want the public to pay for this? I do not understand that. Government members talked about making no new taxes. They call this a "levy" but it is really the same thing. We do not know whether it will go away or stay here; there are no guarantees. Another thing is that we should encourage the whole of the industry to get involved and help to pay this back. Why should we not have all the drivers from all the on-demand groups and taxidrivers working together to help repay this debt that plate owners are owed? They are small business people and they have stuck to their part of the bargain. They have now been left high and dry. Having a "take it or leave it" attitude is not a way for a government to act. It is very disappointing. As I mentioned before, the taxi plate owners here today are small business owners, and this government needs these small business owners to achieve its outcomes. As I mentioned before, there will be financial devastation if these bills go through. There will be bankruptcy and there will be family breakdowns.

The buyback value in the current bill is too low. The government proposes to pay back \$100 000 for taxi plates and it is asking the public to pay a 10 per cent levy. One Nation is against this. It is not a fair and equal proposition. Over the last 50 years, governments have perpetuated taxi plate values through issuing taxi plates based on market value as premium plates; transferring fees for selling plates at a percentage of taxi plate values; and a fee has been paid—an upgrading plates cost—for peak-period taxis to be upgraded to full-time taxis. Over the years, taxi plate

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owners have fitted into this system. Taxi plate owners have provided a solution that will have no direct impact on the future of on-demand transport users because there will be no 10 per cent fee. It will result in taxi fare completion, which is no longer set by the government. It will be fairer to taxi owners, who will receive a fair buyback value. It will be funded by those who choose to participate in the on-demand transport industry. It will be paid in a reasonable time frame and will provide a simpler and easier compliance model.

We have over 15 000 taxi or on-demand drivers. That seems like a lot and it probably means that we have too many. I imagine that the number will settle down over the next few years. However, if we are to use that figure and those drivers were paying what is contained in the proposal, it would raise \$58.5 million and it would pay for the buyback proposal in five years. There would be no tax on the people of Western Australia. As I said at the start of this debate, this is a once-in-a-lifetime generational reform. The \$75 or \$85 a week fee for all drivers on all platforms is not being considered in order to eradicate this logistical nightmare.

I implore the government to listen to the taxi industry. Today I am speaking on its behalf. I am asking the government to reconsider this bill. If the government cannot make the changes that we want, cannot listen to what the people are saying and cannot support the people of WA by stopping another 10 per cent tax, then I ask it to please seriously look at and consider my amendments to the bill when I present them at the next stage. They may help the situation.

This situation is very difficult. I congratulate the government for having the guts to put a program up, but, as I said before, I think the take it or leave it attitude is just not good enough. Arbitrary decisions made by a government when it is not listening to the people of WA usually fall foul and do not work. They usually just create a further impost on the people of WA. As I mentioned before, One Nation is not happy with this bill. These taxidriviers were let down by the previous government. They have not been seriously considered by this current government. The plate owners are small business people. They need to be represented by not just One Nation, but all parties and all members in this house. We need to come up with fair compensation, so they can move forward and plan for the future. Right now, they do not know what the future holds. I finish my contribution to the debate there. Later on, Hon Robin Scott will talk about the option given to this government 13 months ago. I would like the government to reconsider that option.

[Interruption from the gallery.]

The ACTING PRESIDENT (Hon Robin Chapple): Attendance in the public gallery is welcome and valued in this place, but interjections or commentary from the gallery are not approved of. I ask you to refrain in future.

Hon Simon O'Brien has the call. Just to clarify, are you the lead speaker?

HON SIMON O'BRIEN (South Metropolitan) [5.22 pm]: Yes.

We are considering the Transport (Road Passenger Services) Bill 2018 and the accompanying Transport (Road Passenger Services) Amendment Bill 2018. The latter bill, of course, will impose a tax. That is by far the briefer of the two bills, and we will come to that in due course. The Transport (Road Passenger Services) Bill 2018 is quite a large document and the reason for that is reflected in the second reading speech, which states that the purpose of the bill is for it to be —

... the most significant overhaul of the taxi and on-demand transport industry in the state's history.

I think it quite probably is. I also recognise that the government's second reading speech says —

Throughout its history, the taxi industry in Western Australia has been heavily regulated by government through a strict and complex legislative framework over many years.

The government is dead right about that. I am not the Liberal Party spokesperson for transport matters these days, but I was back in the dim, dark past. For now, that is one reason I have carriage of this bill, because I know something about the history of the matters we are contemplating today. We need to understand that history, because, as has already been indicated, this affects a heck of a lot of people very seriously. The government is proposing a radical departure from the current arrangements, and that will affect people, some of them adversely and some of them positively. Overall, we need to make sure we have an outcome that is fair to all. Perhaps I am introducing this concept into the debate for the first time, but we have to have something that produces a better outcome for the future, in particular for the passengers and others who rely on passenger transport services in Western Australia, because they seem to be the ones who never seem to crack a mention when we debate these issues. That is something I have observed over many years.

I was a minister with responsibility for transport in this state some little while ago, and it depends on where we are coming from when we contemplate that. I also served with Hon Eric Charlton and Hon Murray Criddle, who were both Ministers for Transport before me. Then responsibility for taxis went over to someone called the Minister for Planning and Infrastructure. That was part of a now failed experiment set up by the then Labor government to have

a place called the department of planning and infrastructure, or DOPI for short! Now, I find I have the great privilege to serve with the then Minister for Planning and Infrastructure, although she is outside the chamber at the moment on urgent parliamentary business. She also tried to come to grips with the vagaries and difficulties that have confronted successive ministers with the regulation of the taxi and related passenger services industries. There have been a number of transport ministers since then as well, of course, until we come to the current minister, who has brought forward the bills currently before us. I do not know how people look back on my tenure. Possibly there is a general view that it was something of a golden age within the Department of Transport—that I rescued it from DOPI and gave it back its sense of identity and something it could be proud of, independent of all those other things that had been tacked onto that department. I notice that despite all the other empire demolition or building that has gone under the machinery-of-government actions of this government, the Department of Transport, which was created at the start of 2009, endures.

I want to acknowledge the efforts of successive generations of officers who have had the difficult task of administering the chooks' breakfast that has been the taxi regulation system in this state. Over 50 years or so we have had a regulated taxi system in the state, and successive ministers, some of whom I have alluded to, would all have been confronted with the same problem. They probably would have expressed the same desire that I had—if only we could have a clean start and if only we had a fresh piece of paper to design a transport and road passenger services regime that met the needs of all concerned, including, most particularly, its potential customers. Members might ask why they did not do that. It is because successive ministers have all been confronted with the strictures of a regulated system and all the vested interests that a regulated system or a monopoly process, whatever we want to call it, imposes on them—the political realities of what can and cannot be achieved. Over time, governments have been confronted with the problem of deregulation of licensed commercial activity—milk, potatoes, onions, eggs and taxis. What next, I wonder? Lottery kiosks? TABs? Who knows what we will see in the time ahead. But have no doubt: this is a difficult, difficult thing to tackle.

What has happened in the course of the current government, of course—what it inherited—has been something different. It has had what has eluded and not been available to previous ministers—that is, a circuit-breaker that has forced it to restructure an industry and revisit a model that is irretrievably broken. Colloquially, a lot of people say that is Uber. It is all about the technology and trends in providing on-demand transport that have challenged the former arrangements to the extent that something had to give; indeed, everything has to give.

I will do a little revisiting of history, because it is important that we acknowledge where we have been before we agree to go down some new path. I acknowledge the correspondence and other representations that members have received from those who have skin in this game. When I was Minister for Transport—I will try not to use the expression “in my day”; that would probably be more than anyone could bear—I tried to approach it in good faith. I think every other minister I have mentioned would have done the same thing, having regard to the fact that people have invested large sums of money in some cases to buy access to this regulated industry and even taken out mortgages to buy taxi plates, expecting that a long-term plan could be put in place to guide their futures. We came across the essentially human aspects of all this. Taxidivers had been injured because of unfortunate and shameful incidents that sometimes happen, and will continue to happen, with drunken or violent clientele. Indeed, we have also had unhappy incidents occur when passengers have been assaulted and the like. Behind all those people are friends and families, and ultimately there is an entire community of now 2.5 million people who rely on the taxi industry as part of their public transport needs. The vast majority of those people undertake their journeys by taxi without incident and get to their destination safely, and those taxis receive their repeat custom because they value the services. To the greatest extent they can, ministers consider all those things, and they do not want to consider anything that will damage the industry or its participants. I can remember finding the telephone details of taxidivers who had been assaulted and put into hospital, just to call them and find out how they were going. And, no, I did not put out a press release to say I had done it; I genuinely cared, as have other ministers. I recognised political reality when I had forces saying, “You have to deregulate this”, or, “You’ve got to just open up and flood the market with plates and let the market decide”—all that sort of thing. All sorts of pressures come upon transport ministers when they occupy that particular desk. It is the same for the current minister.

As expected, a great quantity of correspondence has already been generated by the prospect of this bill. I am sure we have all seen the material put out by the minister and by the department on the minister's behalf. A forward notice was provided to the taxi industry some little while ago to indicate that changes were happening. A further, more detailed letter, which is undated in the redacted copy I have, was sent out under the signature of the acting general manager of on-demand transport in, I think, November last year, which talked about the details of the significant changes that have been announced. What a lot of correspondence there has been in the meantime. I had started to say that members here and elsewhere, I should think, would have received a whole lot of correspondence, giving a whole range of perspectives. I acknowledge those now through this opportunity.

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Sometimes when members receive a lot of correspondence as part of a campaign—a lot of it being pretty well identical in its wording—it becomes a bit like white noise. We even wonder sometimes whether we are getting multiple copies from the same correspondent, or even whether the same document is being provided by people under assumed or other identities or borrowing extended family's identities and so on—whatever. I just want anyone who has corresponded with my Liberal colleagues or me to know that we have received their correspondence and taken notice of the contents, but we may not have all had the opportunity, particularly through time, to respond individually. Through her office, our spokesperson, Hon Liza Harvey, has provided responses to each of these several campaign letters that I have alluded to, and has done so on behalf of all state Parliamentary Liberal Party members. I reassure everybody, regardless of which corner they come from, that we have noted their input. We particularly empathise if they are finding that they are under stress and strain or difficult financial or other circumstances, and we want to see them dealt with fairly.

I will refer to a number of the matters that have been raised in the course of this second reading debate, and I will do so again, and more so, in the course of the committee stage. A supplementary notice paper was just now circulated that carries a proposed amendment to the bill standing in my name. The proposed amendment is in response to a message received from a person identifying as an independent charter vehicle operator. I will acquaint the house with some of the points raised by that correspondent in a moment, but there is one other point I need to make. The nine members out of 36 who are here as the state Parliamentary Liberal Party do not run this house. This is not our bill. This is not our agenda. We are not the government. If people do not like what the government is doing, then I have to say to some people out there, “You voted for them and that’s what you’ve got.” We will be contemplating what brought some people to vote for that government in relation to these bills and this matter a little later on, but I have to say with the greatest of respect to a number of correspondents who have written to us—again, they have had responses from our spokesperson, Hon Liza Harvey—that a lot of the matters that they have raised are matters of issue with this government, not with us. This is the government’s program. These are its bills. This is its legislation. It is doing what it is doing as a government. We can only do so much. We are not pretending to be the government and saying, “No worries! When it comes to the upper house, we’ll rewrite the bills for you.” Sorry, we do not have the opportunity to do that. We have it in writing—indeed, everyone in the taxi industry has it in writing—from Hon Rita Saffioti, MLA, the current Minister for Transport. She sent a letter, I believe undated—perhaps it is timeless in that sense—headed “UPDATE ON PERTH TAXI BUYBACK SCHEME”. It advises, and I quote —

The State Labor Government’s reforms to Western Australia’s taxi and on-demand transport laws, the *Transport (Road Passenger Services) Bill 2018*, has now been introduced into Parliament.

As you know, before the election of the McGowan Labor Government, there was no plan for the future of privately owned taxi plates.

The government cannot help itself; it has to make everything political, even when it is dealing with something so important and dealing with so many thousands of people’s lives and futures. Anyway, I digress. I return to the letter, which states —

It is my priority to resolve this situation. Since coming to office, we have had to create a policy which delivers the fairest possible outcome for plate owners and will allow broader reforms to help modernise the taxi industry.

The State Labor Government is committed to the proposed buyback scheme. It is the most generous buyback scheme of its kind in Australia, and while I acknowledge that some plate owners wanted more, the Government had to strike the right balance.

The proposed buyback scheme is reliant on our legislation being passed through Parliament. If the legislation is not passed, the buyback scheme cannot be initiated.

The State Labor Government and I have been very clear with regard to the buyback. The issue will not be revisited should the Liberal Party and other minor parties defeat the proposed legislation in the Legislative Council, and no further financial payments or assistance to the industry will be considered.

If you want the opportunity to take part in the taxi plate buyback scheme, I would encourage you to contact Members of the Legislative Council in your region to ensure the State Government’s proposed legislation is passed.

That is a take it or leave it letter. That is what we are confronted with as legislators. We are confronted with that and a number of other considerations, including a cohort of correspondence from affected parties, saying, “Please, please, please pass this bill because we want to access the buyback. We are concerned about the uncertainty about our future, please pass the bill.” That was one cohort of correspondence we received. With that and a whole lot of other things in mind, my party has resolved to not oppose this legislation. That will be reflected

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in my contribution to the various stages of debate, but not before I acknowledge the other cohorts of correspondence that I have received.

I mentioned just now a whole lot of issues that need to be taken up, the sort of things that Hon Colin Tincknell was referring to and in relation to, I think, a petition that was tabled today by Hon Robin Scott. Some matters in there raise questions. I for one am not saying that they are not valid questions—genuinely held concerns—and they need to be answered by the government, because it is the government that is proposing this course of action and is doing so under a take it or leave it manner. I do not know how dinkum the government is when it says what is in that letter. If this bill is passed, is the government seriously saying, “That’s it. We’re not doing anything more with taxis”? I do not know. We can only take the government at its word. We will see what we see.

I was just about to refer to another letter that I have received—a letter that is typical of a third cohort of correspondence that a number of us has received—from a chap who says that he is an independent charter vehicle operator. He commenced in the industry in 2002. He tells us about how he purchased a limousine franchise and found that that was a bit of a mistake. That happens sometimes when people try to set up businesses. They find that it is not as rosy as it was presented to them. He had a disagreement with the franchiser. He ceased being a franchise holder and commenced legal proceedings to recover some of his investment. In the ensuing years, he sought to build his own independent operation by assisting others in the industry and by gradually building his own client base. In other words, he describes himself as a chauffeur service in the charter vehicle industry. The correspondent, Graeme, says —

The omnibus licence —

That he had —

prohibited me from competing in the Taxi Industry with a requirement to purchase a vehicle that was well above taxi specifications —

That is, a flash luxury vehicle, or a stretch limo or something of the type —

and I was required to charge a minimum fee of \$60/hour.

Back in the day, with such criteria, he would not be competing with the protected species that was the regulated taxi industry. He then goes on to say —

A few years ago UBER commenced operations in Perth, and apparently were operating as Charter Vehicles —

By definition —

However Uber ignored all of the regulations which we were bound by and competed directly with the taxi industry.

Obviously, they also competed with his charter vehicle industry. He continues —

Both the sitting Government and opposition did nothing to enforce their regulations and the Taxi industry suffered.

I imagine governments past and present will possibly take issue with that, but one thing we can all concede is that the regulated industry that we had, along with a heap of other shortcomings, was certainly not prepared for the Uber tsunami that crashed upon it. We saw, month after month—I am referring here to some advice I had from another minister, Dean Nalder—that statistically the amount of taxi work that taxis were getting was dropping, by 15 per cent in one month and then by another aggregate of 15 per cent the next month, and like figures. This is what we saw as the circuit-breaker that had to come and that has arrived, and that has led us to the further deregulation that we are seeing now.

My correspondent in his letter also advised —

This has nothing to do with how I operated in the Charter Vehicle industry.

The government now says we are all covered under one industry “On Demand” and I can now try to compete with Uber, but cannot compete with Taxis.

We will see this when we get to the detail of the bill. The letter continues —

Over recent years there has been a number of new operators enter the “On Demand” industry in competition to the taxi industry. Many of these operate through mobile apps and are based who knows where.

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There are also thousands perhaps 10s of thousands Travel Agents across the world who take bookings and source services across the world.

Technology continues to evolve and autonomous vehicles are being trialled and will be providing services I offer and taxi services across the world.

Then he gets to the point, the key point I think he needs to make, when he says —

To suggest that in a rapidly declining market that I should subsidise an industry that has for many years struggled to understand how a service industry should operate, whilst trying to compete with a growing autonomous entrant. You cannot be serious.

He continues —

The suggestion that the current Charter Vehicle operators can afford to pay 10% for a rapidly declining income and ever increasing fees and charges, you are dreaming. Many of us Independent operators are only just surviving and are at or near retirement age. However, we continue to support our client base and not be a burden on the economy by retiring and drawing a pension. We also input a considerable amount to the economy by purchasing operating and maintaining our vehicles.

I seek your support in opposing the proposed bill.

To that gentleman and to others in like circumstances—I understand there are probably a good 50 or so of them —

Hon Stephen Dawson: Would you consider tabling that? That would help me in responding to it if it is appropriate.

Hon SIMON O'BRIEN: I can table it. If the minister is asking me to table it, I will table the document or I can provide it to the minister. Although I have referred to it, I would prefer not to table it without some matters being redacted.

Hon Stephen Dawson: Sure.

Hon SIMON O'BRIEN: What I can say to our correspondent in that case is, "I'm sorry; we're not going to oppose this Transport (Road Passenger Services) Bill because we have been told it is a take it or leave it proposal, and, frankly, something has to be done." My party has made the decision that it will not oppose the bill. However, despite what I have said in recognising that the government is not prepared to brook any changes or dismantle or gut this bill and its policy, and despite my assertion just now that a whole heap of complaints have been made about it, from a perspective that says there are a whole lot of shortcomings and listing them all, and my pointing out that those are questions for the government to deal with, I think there is something my colleagues and I can do in this house about what are now known as limousine and small charter vehicle operators. I understand there are about 50 or so of them. Perhaps we will get some departmental advice to confirm that or otherwise in due course. I have caused to be placed on the supplementary notice paper an amendment that is intended, in effect, to exempt this limited class of operator, currently the small charter vehicle operators, from the requirement to have the levy imposed in recognition of their business model whereby, typically, they do not always have despatch operators and for some of the reasons that are laid out in the document I have just referred to.

I have not sprung this on the government just now; I indicate that I have had discussions behind the Chair to let the minister and departmental advisers know that we wish to explore this prospect. We want to place our support for this sector on the record, so we are formally doing so and we will prosecute that. We all know that the Minister for Environment in his representative capacity in managing this bill, is a reasonable person, as are, indeed, the ministerial officers we have been dealing with. I said that this was presented in good faith and, I believe they will look at this amendment and see whether it can be accommodated.

I understand this is a bar 2 bill because it has been amended in the other place. The government acknowledged some changes were needed in relation to trips that start within the metropolitan area and end up outside the metropolitan area and vice versa and it has come to some accommodations there. If we can do it without destroying the model or it can be accommodated under the new model, I think the government will have a genuine look at that, so I approach the process of that amendment, not with confidence, but at least in good faith, which I think is shared by government members.

I will leave the government to respond to the other points raised because it is up to it to do so. I am aware of the government response to the Taxi Operators Legal Defence people and others, but I will leave it to the government to give its response to that sector of the industry. Before I move on from that point, I want members who have not been familiar with the taxi industry over the years to understand that there are different perspectives within the existing industry and they are irreconcilable, and that has always been the problem confronting people. There is the perspective of those who have bought plates as investors and have nothing to do with running a taxi. There are owner-operators, people who have taken out leasehold plates, and there are drivers operating on someone else's plates. The perspectives of those different parties and what they want to

achieve out of any buyback scheme are completely irreconcilable with each other as we have found over the years from various reviews.

What substantive matters are taken care of in this bill? It is a very comprehensive bill that the government has introduced with its second reading speech, which I will not revisit because that would be tiresome. But I indicate that the opposition recognises that this is a rewrite of the relevant legislation. Some of the provisions are relatively well established but all of it is about dealing with a new regime, the likes of which have not existed before, so there is a lot of detail in the bill and some of that may well be teased out in the committee stage. In terms of the mechanics of the bill and whether it will do what the government says the bill it will do, the opposition is fairly comfortable with it all. It is certainly not our business to rewrite what in effect is the directive given by government to the departmental authorities to administer.

The one area, of course, that excites great interest in this bill is the taxi plate buyback provisions, because that is the matter of the moment. That is the matter that correspondents are trying to engage us in. It is something they are all waiting on. Will we have a buyback or not? Others are asking: what is the quantum? Others are asking when, so they can organise their affairs with some certainty over this financial year and the coming one. We have had all of that. We recognise that that is important and I think that is what we will pay most of our attention to because that is the significant issue of the day, one that will pass in due course and then we will be left with the substantive new act, the machinery to run a whole new regime and, hopefully, equip the Department of Transport with the machinery it needs to meet the challenges of the future so we do not end up in the situation that has existed for decades with a system that is broken but no-one can bring on the forces to change it.

You are probably about to notice the time very soon, Mr Acting President. I have some concluding remarks to make. Before I do that, I want to refer to some of the other things that have happened in the past and contrast the bill before us with the plans of former administrations. I refer in particular to a document called “Report on Review of the Taxi Industry Regulatory Structure in the Perth Metropolitan Area” prepared for Hon Alannah MacTiernan, MLA, Minister for Planning and Infrastructure by Hon Graham Giffard, MLC. In its recommendations it states —

- **Recommendation 1: That the State Government not proceed with de-regulating the metropolitan taxi industry and that the total number of taxi licences (plates) made available in the market should remain capped.**
- **Recommendation 2: That the State Government not proceed with a compulsory buyback of taxi plates.**

Sitting suspended from 6.00 to 7.30 pm

Hon SIMON O'BRIEN: I will continue my introductory remarks. I do not think there is any need for me to summarise or recap at this stage. That will come much later.

Hon Michael Mischin: What was that bit after, “I am the lead speaker?”

Hon SIMON O'BRIEN: That was the one bit I did not actually say.

Just before we adjourned I felt it necessary to remind members of the history of this issue. I wish to compare and contrast that with the attitude displayed by Minister Saffioti in her letter to all taxi users, when she bewailed the fact that there was no plan for the future of privately owned taxi plates and that since coming to office, Labor had had to create policies and so on. That struck me as peculiar, because a lot of minds had been applied to this. I know that departmental officers had been working very hard on these matters for several years. They did so under the former government with the steady support of Ministers Nalder and Marmion and others, I am sure. It also struck me as incongruous to say that Labor had to create a policy, because that indicates that it previously had no position, yet on what basis did the ALP give undertakings to the industry, which it did at various stages before the change of government? It is only fair that rather than let the claims of the government stand in that matter, we remind it of somewhere that everyone has been on this.

Labor has an interesting record dating back many years. Before we rose for a break, I was advising the house about the recommendations prepared by Hon Graham Giffard, MLC, and presented to Hon Alannah MacTiernan, MLA, the then Minister for Planning and Infrastructure in the time of the Gallop government, and how it was going to fix everything. That government was going to take this industry by the horns and sort it out, by jingo. Then I was pointing out some of the recommendations that came forward. I mentioned recommendation 1—that the state government should not proceed with deregulating the metropolitan taxi industry and that the total number of taxi licences or plates available on the market should remain capped, which was something of a 180 degree turn. With a Labor government, we expect that when it commissions one of its backbenchers to do an inquiry, there is some sort of preordained outcome, but on this occasion, what was promised and what was delivered were quite different. So much for the ALP in government having the answers. Indeed, there were quite a few recommendations in that

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report. If members want to cast their minds back over that history, they can see that it was more a tinkering around the edges. In fairness, as I conceded earlier in my speech, when confronted with political reality, the only thing ministers of the day could manage to do was to try to manage the unfolding dysfunction that was the taxi regulation sector. But we are not done with that, of course. Mercifully, in due course, that government was defeated by its own hand, when it called a surprise election under Premier Carpenter in 2008. To his surprise, it was a surprise election because he lost it.

As transport spokesman from time to time, I remember dealing with a number of bills in this place that were brought forward through a succession of parliamentary secretaries to the then Minister for Planning and Infrastructure. We all remember our friend Hon Ken Travers, for example. He had that job for some time. He knew his onions, too. But, gee, as parliamentary secretary to the then minister, we could see him age before our eyes. I believe Hon Adele Farina was a parliamentary secretary in those days. I do not know whether she was before or after Ken, but, again, what a wonderful job it would have been to be parliamentary secretary to that mercurial minister. I think there were a few others, too. It is quite a rollcall of people. Was Hon Dr Sally Talbot one at one stage? No. Anyway, they have given way to a new generation of parliamentary secretaries to that minister. Who is the parliamentary secretary now? Hon Darren West! Perhaps his meteoric rise to ministerial ranks will be curtailed. She is like a jinx! Anyway, a new minister now has transport, but the overall Labor leopard does not change its spots.

As recently as 2016–17—more contemporaneously—there was further debate about this issue. This time, it was as a response to the changes in technology and practice in the on-demand transport area. The then opposition, the Australian Labor Party, Her Majesty's loyal opposition, was doing what it does in opposition—that is, to try to inflict as much pain on the government as it could while pretending it was here to help. It promised the world to anyone it thought it might be able to glean a vote from, and then, on coming to government, it has of course delivered just the opposite.

In 2008, a deregulation proposal was mooted by the Labor government of the day—perhaps there are one or two people present who might remember that—for a \$225 000 per plate buyback. That is what the government of the day was considering offering—a buyback at \$225 000 a plate. I do not know whether that was a public position, but it was certainly being discussed within government. How do we know that? The person who told another place about it in 2016 was the current Premier, Hon Mark McGowan, when he was criticising the former Barnett government. As it tried to wrestle with the situation he said, “You're ripping off these taxidrivers. We would not! Back in 2008 we were considering giving them \$225 000.” If you cannot trust Mark McGowan, who can you trust? That is what he said in the Assembly on, I think, 8 September 2016. In fact, on that date the current minister, then in opposition, when dealing with a temporary financial assistance measure of \$20 000 for each applicant, which was being managed by Hon Dean Nalder as minister, moved that the financial assistance payment be changed from \$20 000 to \$162 500. We have also been told by many and various members of the taxi sector that immediately before the election it was generally being put about by ALP state members that Labor was offering as part of a buyback—if that is what it had to do—a minimum payment of \$200 000. That is what Labor was offering in the lead-up to March 2017. Constructed out of that was something called the Micro Business Party. In direct response to that undertaking, a political party was formed to put preferences towards the ALP and to put the Liberal Party last. I was a beneficiary of that. Thank you so much! Mind you, I am still here!

Hon Michael Mischin: Did they get what they paid for?

Hon SIMON O'BRIEN: That was only a brief synopsis of the sort of undertakings that were being offered, but I think the taxi sector is entitled to think that it has been right royally duded! What they were promised and what is being delivered is remarkably different. I think we are all entitled to ask some questions about how that was to be funded. It is easy to promise the world in opposition—or from the crossbench, I might point out—but the fact of the matter is that a government still has to find those funds. I was not then part of cabinet, but I know it was being mooted in Liberal government circles that part of the proceeds of a partial privatisation of Western Power could be applied to this very purpose to benefit those who had invested long-term in the taxi industry. However, the people did not vote for that, so we were not able to deliver it. The Labor government is not interested in such a policy, so it does not have that source of funds. Where was it going to get the money from for its \$200 000 offer? Was it going to find it growing on a tree somewhere?

Hon Colin Tincknell: It could've taken the other offer.

Hon SIMON O'BRIEN: It did not. Labor made another promise of no new taxes and no tax increases. I think that every client of the on-demand transport industry is entitled to ask how this new tax on consumers sits with the government's pre-election undertaking of no new taxes. Why has the buyback amount been capped at a minimum of \$100 000 when, just before the election, \$200 000 was promised? That is a legitimate question. Why is the minimum amount being offered now not the \$162 500 proposed by the current minister during that debate in

another place that I alluded to? All these questions are there for the new government to answer. Will it be able to address any of them? I do not know. I doubt it, but we shall see what we shall see. I think it is a pity that Labor successively bragged in the late 1990s that it would fix the problem but failed to do it, then bragged that it would fix it prior to the 2017 election. Then, of course, it was confronted by the realities of government. However, this government has at its disposal a circuit-breaker set of circumstances, which means that the system can be changed and built into a new system, which will, hopefully, be flexible enough to meet future needs. That is a testament to the outstanding work of the public officers in the Department of Transport every bit as much as it has anything to do with this brilliant government that has taken the Treasury benches.

I have mentioned a number of matters that are all relevant to the bill. I will summarise a couple of key points. The Liberal opposition realises that this bill matters to people and will affect the lives of very many people. I have previously outlined that we have received correspondence from a large number of people. It has quite often been formulaic or repetitive correspondence but, nonetheless, it is representative of several points of view. I have mentioned how those points of view are sometimes irreconcilable with each other, but we have noted everything that has been said. To the greatest extent possible, the office of our spokesperson, Hon Liza Harvey, is responding to each of those pieces of correspondence on behalf of the Liberal Party. I am placing the party's position on the record in this place so that we can acknowledge what has been said. I have gone into some amount of detail about the specifics in several of those chains of correspondence. I have indicated that as a party in this house of review we do not have any particular issues with the mechanical portions of most of the bill. I expect there will be further debate about the buyback provisions of the bill. I have also indicated that we have been moved to place an amendment on the notice paper under my name on behalf of the Liberal Party to reflect what we think is the genuine and, hopefully, achievable goal of providing some relief to those now classed as limousine and small charter vehicle operators—that is, relief from being saddled with a levy in the future. Let us face it—those operators are not getting any buyback out of this, yet, in many cases, they have had to pay considerably more than taxi operators to equip their vehicles. We will see what happens in Committee of the Whole; I am sure that we will get to clause 244, which is the relevant one, very soon. I look forward to hearing what the government has to say about that clause. Although we have indicated that we will not oppose the bill and that we understand that the government, rightly or wrongly, in not so many words, has said, “If you don't go along with this program, we're going to throw up our hands and walk away. That's it; you can all stew in your own juice!”, I think that the government has certainly shown sufficient goodwill, particularly out of the public eye, to at least contemplate some reasonable amendments to this legislation. The government has already responded in that way in the other place, and, hopefully, we might be able to obtain some relief for those small charter vehicle operators when we get to Committee of the Whole. At least those operators will know that this house has given their issues a comprehensive and fair hearing.

As I draw my remarks to a close, I offer a gesture of goodwill across the chamber to the Minister for Environment representing the Minister for Transport. I have received good assistance in preparation for debate on this bill and I thank the Minister for Environment for those courtesies extended by the other minister's office and by departmental officers. As I said previously, the amendment put on the notice paper at very late notice was done so with a sense of goodwill and not to try to be difficult. With all that in mind, we will seek to move through the committee stage of this bill with reasonable expedition and that, briefly, is our position.

HON ROBIN SCOTT (Mining and Pastoral) [7.52 pm]: I have been really looking forward to making a contribution to the debate on the Transport (Road Passenger Services) Amendment Bill 2018 and the Transport (Road Passenger Services) Bill 2018. Unfortunately, I will have to repeat some of the comments and remarks made by the two previous speakers.

In the 1990s, my wife then was working as a volunteer for disabled people. Every night when she came home, she would complain that there were never enough taxis to pick up people with disabilities. At the time, my principal business was well-established, which allowed me to dabble in other things. I said to my wife, “How about we go and buy a taxi?” Before doing that, I obtained a taxi licence, which I still have today. It is a T endorsement on my driver's licence. I went to the Department of Transport's training grounds in Carlisle, where I spent three weeks learning to be a taxidriver. I found out that the taxi industry was well-regulated and well-governed by the government at the time, and I thought that it would be a good investment. We had some spare money—we were very fortunate that we did not have to borrow any money—so I bought a taxi. Its taxi name was Mac 31, but the real name for it was multipurpose taxi 2031.

I only drove it for a few weeks because being a taxidriver really was not for me; I looked at it more as an investment. For quite a few years, I made a really good return on my investment in that taxi. Every now and then when a driver wanted a few days off, I would stand in and have some fun in the taxi. That went on really well until the turn of the century, when I received a letter from the then transport minister, Hon Alannah MacTiernan. The letter said that the government wanted to buy my taxi from me because it was going to make some changes and

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offered me some money to return the taxi plates to the government. I wrote a letter back saying, “No thank you, ma’am. I am quite happy with the return I am getting from my taxi.” About 12 months later, I received another letter saying, “We want to buy your taxi back. If you don’t sell it back to us, we’re going to release 100 MPT taxi licences for”—I cannot remember the exact figure, but it was for something like \$50 or \$100 a week. That was not even 10 per cent of what I was getting from my plates. I did the maths very, very quickly and decided that I would sell the taxi to the government. I was well compensated for that; the government paid me more than I had paid for the taxi plus a percentage.

Drivers today are not so lucky. What has changed so that the government thinks that it can chuck peanuts at these guys who have invested a lot of money? This will affect some of them really drastically. When I bought my taxi, I did it in exactly the same way as these guys in the public gallery today. They bought into a regulated, organised company hoping for a long-term career and looking at building a means of securing a good retirement. Some drivers mortgaged their homes and others borrowed up to \$300 000 to get into this well-regulated organisation. Most joined the industry looking for a long-term future as a taxidriver. These guys work a minimum of 12 hours a day. They normally swap over the day driver for the night driver. It is not easy money; it is long hours. These drivers joined the industry long before Uber and Ola came along. Some of these current taxi owners will face some really big strife. They will have mental stress, which means that they may not be able to work all the time, which will lead to other issues like bankruptcy and possible divorce. I want everybody to consider family break-ups. I am not just talking about mums and dads; I am talking about brothers-in-law, sisters, brothers, uncles and aunts, because some of these guys asked family members, “Can you lend me \$10 000? Can you lend \$20 000? If I get enough money together, I’ll be able to buy this taxi. I’ll be able to pay you back really quickly, because I will not have to pay too much bank interest.” All of a sudden that money is gone and the drivers are getting a measly \$100 000 back, but they still have to repay their brothers, their sisters and the rest of the family. That has to be considered here. This bill will not be good for anybody; it is a disastrous bill.

There is a simple solution that has been made by the taxi owners. At the moment, approximately 1 000 taxi plates need to be purchased for \$295 000 each, which equates to \$290 million that the government should be paying back to taxi owners. Currently, 15 000 on-demand vehicles are operating in Perth. Multiplying 15 000 by \$75 a week results in \$58.5 million a year. If the government were to run that system for five years, every taxi plate owner would be able to get his \$295 000. The government could extend the \$75-a-week charge for another year, or even two years, to cover the interest that the government would have to pay on borrowing this money to meet demand. If the government used this system, there would be no cost to the public and no direct impact on future on-demand transport users, because there would be no need for a 10 per cent tax on fares. As a result, taxi fare competition will no longer be set by the government. This system is fairer for taxi owners because they will get a return for their investment that will be funded by those who choose to participate in the on-demand transport industry. The people in the industry at the moment will have a choice of whether they want to continue in the industry. If they do not want to pay \$75 a week, they can just leave. It will be repaid in a reasonable time, and it will provide for a simpler and easier compliance model. At the moment, if these guys are borrowing \$290 000 at five per cent interest—they will be lucky if they can get it at five per cent—they are paying back, just on interest, \$14 500 a year, or around \$289 a week, so \$75 a week is very reasonable. This bill, because of the power the McGowan government has in the other place, has been rushed through without sufficient scrutiny. Hon Simon O’Brien said it was going to be a difficult bill. It is not a difficult bill, but it is turning into a difficult bill. It is not a funny bill either. I do not see any fun in making any kind of joke about the taxi industry.

I will conclude by saying that I hope the Premier, Mark McGowan, and Hon Rita Saffioti will accept the years of misery and hopelessness that will be left for these taxi owners, their families and their extended families. I suggest further discussion with the taxi owners, so that we can fix this wrong. This is one big wrong, and something has to be done properly. We have to consult with these owners, and the government has to take into consideration all aspects of the taxi industry. The government will not only chop the legs from under the taxi owners, but also upset their families and extended families, and that has to be considered.

HON TIM CLIFFORD (East Metropolitan) [8.02 pm]: I rise tonight to speak on the Transport (Road Passenger Services) Bill 2018 and the Transport (Road Passenger Services) Amendment Bill 2018. After a long consultative process, the Greens have come to the conclusion that we will support these bills. It is pretty much a take it or leave it situation, in which we are going to be dealing only with the bills that have been presented. Many parties, both those supporting and those opposing these bills, will be affected. It is time the reforms came through. Successive governments have dropped the ball. Uber disruptive technology, which Hon Simon O’Brien spoke about earlier, has come into place, and it is really time for change. The reforms are long overdue.

As has been mentioned before, the pre-Uber industry was very highly regulated and protected. The plates grew in value, which allowed for investment and for some individuals to own a number of taxis and lease them out to drivers. Also, owner-operators had to spend a lot of money. As mentioned before, the government neither

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anticipated nor moved quickly enough to adapt to the new technology. There was no way of countering it overnight. Uber came on quickly, but it hit other jurisdictions before it hit us, so we should have been monitoring it and talking about what effect this might have before it hit our shores. Looking back in *Hansard*, I find that Hon Alanna Clohesy was the first member in this place to speak about it, which I find very interesting. This bill is important for these reasons.

In considering this bill, I want to pay attention to a number of factors and ask whether the buyback levy is fair to drivers and customers. As Hon Simon O'Brien mentioned, there is a lot of talk in this place about the legislation itself, but not about the customers—the people who use this service. When Uber first came on board, people talked about the taxi industry and Uber came up with different reasons for supporting each mode of transport. People liked the Uber app feature, for safety reasons. There was a lot of fear in the community, particularly on the part of young women going home at night. They found Uber meeting their specific needs. On the other side of the argument, pensioners using the existing taxi service knew the drivers and trusted in that mode of transport, and they would use that mode of transport because it suited their needs. These bills go some way towards bringing all these parties together and finding a solution.

Will anyone be disadvantaged as a result of the changes in these bills; and, in particular, will people with disabilities be negatively affected? How will the changes affect those who can least afford a taxi? What about people in the regions? Will this legislation contribute to the take-up of ridesharing, so we can get cars off the road and reduce emissions? Transport is one of the largest contributors to greenhouse gases. Do these bills allow for innovation in the future? We have heard about autonomous vehicles and the like, as well as the existing taxi service potentially taking on apps and different modes of connecting with customers. There is a level of innovation here, and it is no different from what we have seen in the energy space, in which there is talk about apps being used to monitor people's bills and how they plug into different power suppliers. We are in the age of disruptive technologies and we must adapt to them and work together with these industries and ensure that they are better prepared for this disruptive technology.

The first and probably the most contentious issue is whether the buyback, and the levy charge to fund it, are fair to the plate owners and customers. A lot has been said already in the other place about the fairness of the buyback and the levy. There are losers in this, and a lot of people will be affected. There have not been any real winners in this whole process, but doing nothing is not an option. Many plate owners have contacted me and asked me to support getting these bills through, because of the hardship they are facing. In Kelmscott, for example, I spoke to owner-operators who get up late at night to drive their taxis. They have also bought plates at top dollar, mortgaging their houses and things like that. They have a single set of plates, and they are going through this stress. They have contacted me about supporting this bill. On the other side, there are people asking for the bills to be amended, which we will get to later in the committee stage. Other people have asked me to consider alternative models for the buyback. Developing a model that is completely fair across the industry is fraught by the total monetary buyback. If this bill is delayed, what effect will that have? How many people are already hard pressed? If this legislation did fall over, what would the plates be worth then? With the rise of Uber, if there are no reforms, we would be compounding a broken industry.

It has been a very difficult decision. I have heard from plenty of taxi plate owners who are set to lose their superannuation and what they see as their future. They are still out there driving and putting in 70-hour weeks; it is devastating for these people. One plate owner, who owns a multitude of plates and has lost millions of dollars, wants the uncertainty gone so that he can make business decisions in a stable environment. These are the comments of one owner in the regions whom I spoke to in previous months. Right now he is in some kind of limbo. He is not happy at all about what is happening, but he is equally unhappy about being caught in this point of stasis whereby they just do not know what is going to happen. If the bill falls over, they are back to where they were before, but with no compensation mechanism at all.

As I said, if the reforms are not put forward, the value of the plates will continue to decline. There was a lot of talk before about the proposed buyback and the monetary amounts in the pre-Uber days. I was not here for that, so I appreciated listening to Hon Simon O'Brien's contribution. It was pretty enlightening to learn a lot about the history of this issue in his time as Minister for Transport. The buyback would also mean that they could keep operating, but they would no longer have to pay \$2 000 to \$3 000 a year for registration, for example, and they would not have to pay lease costs for the cars. The reforms will really reduce the costs of getting into driving and offering a transport service. Looking back, the 2015 reforms were funded from government revenue and did not offer sufficient compensation. An industry-funded buyback makes the operators pay and shields the owner-drivers, while still providing a mechanism to raise revenue without dipping into government coffers. I should say that I have read the model and I had questions about pushing the levy onto the drivers out on the ground. I have had drivers contact me to say that if they were to be hit on the ground with the levy each week and they are already

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not making much money, \$75 is quite a bit of money. I am looking forward to listening to the contribution at the committee stage. I am interested in what that means and what the amendment will be when it is moved.

In regard to the transference prohibition, we will be keeping an eye on the rate of funds accrued through the buyback in the annual reporting process and monitoring the amount of money raised through the levy to ensure that the collection of this levy is done in an appropriate way. As I asked earlier: is the buyback levy fair to customers or passengers? Hon Simon O'Brien mentioned these people earlier. There has been a lot of talk about industry, but what about the customers and the passengers? I sincerely hope that, looking at cameras and such things, when these reforms go through, passenger safety will be more of an even playing field. I think we still need to look at how we can better ensure passenger safety and confidence in the industry.

I am still concerned on some level about the 10 per cent levy and how it will affect low-income families, especially in the outer suburbs. The alternative proposal—a flat fee on rides—would be worse for people, taking into account short rides. With the rise of Uber, I looked at the other mechanisms proposed by other states, such as \$1 or \$2 levies. I have spoken to customers of Uber and even of taxis. If they take any trip that costs less than \$10, a 10 per cent levy would be less than, say, a proposed set levy of \$1 or \$2. If it is 10 per cent, obviously an \$8 ride would have an 80c levy. It seems a lot fairer for low-income earners. As I said, as long as we continue to monitor this and the effect on people, we will get a better understanding of how it will be put through. Of course, the reforms are quite comprehensive and it is pretty much a shakeup of the whole industry, so we need to make sure that we are vigilant in its implementation across the transport industry.

Another question is: will the buyback levy changes from the bill impact on people with disabilities? We know that not enough cars are fitted with equipment for people with disabilities. This is the first thing that I thought about. As I understand, the taxi users' subsidy scheme will remain in place, so that is reassuring for people with disabilities. That will be maintained. I am pretty sure that there was an assurance that the government would look at how that might possibly be expanded. As I said before, there is a balance with this. We should not view technology as the absolute answer to everything, because a person with a disability or someone elderly might have a regular driver whom they trust. I have spoken to people who know drivers on a first-name basis. We are across many aspects of this bill, but for the general public who have just heard of these reforms, they think: how will it disrupt something that I already have going with, say, my local person whom I trust to drive me to the hospital or wherever else? There are assurances that those things will not change.

Country taxi operators and passengers, because they operate in a different system, also deserve an on-demand system that works for them and provides a trusted service. More importantly, a lot of those towns like public transport. I grew up in the country and people rely on their local taxidrivers. Some towns have only one or two taxis. I have spoken to places such as the Bunbury co-op. A really small town might have only one taxi. From what I understand, these owner-operators will be exempt from the levy because they operate within a separate system and they probably do not have the means to introduce an accounting system to collect —

Hon Robin Scott interjected.

Hon TIM CLIFFORD: Credit to them—they worked hard and they had the proposed blanket levy removed, so the country operators are exempt.

Also, I have spoken to taxi operators who were pleased with the support; the \$500 grant helped them pay for cameras in their taxis. Having that brought forward has been reassuring, because from speaking to different operators with multiple taxis, I know that adds up very quickly in the regions. Especially for a small owner-operator, \$500 is quite an expense. We support that being brought forward.

Minister Saffioti in the other house talked about the creation of eight new inspector positions to conduct controlled exercises and monitor adherence to the new regulations. That is welcomed. However, looking forward, we want to make sure that if there are not enough inspectors and they do not meet the required needs of the transport industry, we can expand those roles.

I have also been informed that the service in the regions for monitoring unlawful on-demand activities is woeful and that the regions are grossly under-resourced. I ask the minister to consider placing more resources in the regions to support the rollout and also to adapt to the massive changes. I will be interested to hear in the minister's response what is being proposed.

It is heartening that the bill provides for innovation looking forward. It provides the flexibility required to allow for further changes in the market. We have learnt from rideshare disruption that this will happen again and again, and we need legislation that is robust and flexible enough to do the same. The bill allows for the expansion of rideshare to genuinely allow for carpooling, which has not been allowed. There are so many cars with one driver on the freeway. We need to fix this. I can see in the future people in the outer regions tapping into an app, logging in for a rideshare and, if they are going to a similar place, under this bill, that could potentially happen. In effect,

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we would take cars off the road and reduce driver costs and also provide another form of revenue or business for on-demand operators. Carpooling will not be penalised.

In the process, I met with some of the people running Swan Taxis and the like and they said that they understand that these reforms are needed. They were copping a lot of criticism. One person cited a complaint from a young woman who got off a train at 2.00 am and waved down a taxi and when the driver asked where she was going, she said that she was going two blocks, so the taxidriver drove away. This was a few years ago, but they were citing some complaints. They welcome having more accountability in the system.

Hon Robin Scott: There's always been accountability. A taxidriver isn't allowed to refuse a fare.

The ACTING PRESIDENT: Member!

Hon TIM CLIFFORD: I am just saying that —

Hon Robin Scott interjected.

The ACTING PRESIDENT: Member! When I call members to order, I would like the chamber to come to order. Hon Tim Clifford, please continue your remarks.

Hon TIM CLIFFORD: Further on in that discussion, it was said that this was a minute number of people, but one or two people gave the industry a very bad name. They were looking to get more trust in the system by proposing green taxis, whereby they might have hybrids or electric vehicles so that people can plug into an app and choose to take a taxi service that does not use conventional fossil fuels, or having a pink taxi system that picks up young people at night. These are things that were put to me and they are very heartening.

I was looking forward to the committee stage to put forward an amendment to exempt wholly electric vehicles from the levy, but I understand that there might be an undertaking to put that in regulations. I look forward to see what happens in that space during the committee stage.

In conclusion, I have been presented with a bill to provide for an overall buyback levy. The Greens had to look at this bill as it has been presented, because having the bill fall over is not an option. I understand that people have said that they will lose a lot of money and that there is a lot of hardship, but having the bill fall over would be devastating. A lot of people have also said that they want the reforms. As I said before, there are people who are opposed to it. Dealing with the bill in front of us has left us in a position in which we are dealing with what has been put down on a bit of paper. That is what we are dealing with. We support the bill. I have outlined some of the reforms in the bill. There has been a lot of talk about the compensation, but I would like to hear more about what the reforms will do. I would like to hear the contributions of other members on the reforms, how they will apply and how they will better serve the community. I will listen to what goes on during the committee stage and I will look to see what amendments come through. I look forward to working with other members in the chamber on what they put forward. I look forward to seeing what happens and I look forward to any commitments put forward by the government to maintain the scrutiny of these reforms. The Greens will scrutinise the effect of this legislation; and, if there are any issues, we will address them. The way that the Uber experience of disruptive technology has affected the transport industry in WA is a forewarning of how it could affect other industries and other departments within the state. We need to be adaptive and we need to move quickly, because it is not good enough to wait for years. It is not good enough for us to be debating this legislation years after the introduction of a ridesharing service—a disruptive technology like Uber—when it should have been dealt with a lot quicker. As I said earlier in my contribution, successive governments have let down the transport industry and the public, and now we are dealing with the legislation in front of us. I look forward to the contributions of other members and I look forward to working with everyone else.

[Interruption from the gallery.]

The ACTING PRESIDENT (Hon Robin Chapple): Before I give the call to Hon Rick Mazza, somebody in the public gallery has a mobile phone that is vibrating or ringing. Could you make sure that your mobile phone is turned off, please? Thank you.

HON RICK MAZZA (Agricultural) [8.28 pm]: I rise to make some remarks on the Transport (Road Passenger Services) Bill 2018, which provides for the regulation of the road passenger transport industry and the repeal of the Taxi Act 1994 and the Taxi Drivers Licensing Act 2014, and makes consequential amendments to the Transport Co-ordination Act 1966 and other acts; and also the Transport (Road Passenger Services) Amendment Bill 2018, which subsequently imposes an on-demand transport levy to fund the government buyback scheme.

This situation has been brewing for a number of years. It has been let go to a point that we now have this bill before us. Although I am all for free and fair competition, I think the ridesharing industry was allowed to come into Western Australia unfettered and compete with the taxi industry, which of course had constraints on licensing and all the other things that go with that. The government has been left with the proverbial sandwich in trying to deal

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with this and sorting it out. We have all received emails about it. It is a very difficult time for taxi plate owners and operators. Hopefully, it will go some way towards finalising the situation, although I think a lot of people will be hurt over this.

I will talk about some of the issues regarding that level playing field a little later. At this point I am pleased to see that the bill will bring all operators under the one act, providing some clarity for those who are governed by it rather than the hotchpotch system we have at the moment. It will cut away some areas of red tape and promote competition, meeting the ever-changing consumer needs in that space. We were told that the reforms in this bill will provide customers with more choice of providers, with improved security features. I must say that I am pleased about that. A year or two ago a couple of constituents who contacted me told me that they were very uncomfortable with a late-night ride when the photo on the rideshare vehicle did not match the photo of the driver. That made them very uncomfortable. I believe that safety measures are now in place whereby those drivers are qualified and there is some scrutiny of who is driving that vehicle.

The bill will provide drivers with more flexibility in where they work. It will provide fleet managers and booking services with more freedom and flexibility in what they do, to name a few. There are also some provisions for country operators. I understand from the advisers that there are no owned plates in the country; it is more a licensing system in which country operators have a licence to operate. They will have a bit more freedom in that they will be able to move outside specific zones to compete in the market. That will also eliminate country operators from having to provide a 24/7 service.

The legislative reforms impact current owners of taxi plates in major ways. Part of the reform is to deregulate the taxi industry with this government buyback by offering a compensation package to those affected. There are a couple of ways to look at this. Obviously, being in business is a risk. Everybody understands that a risk is involved when going into business. Many small business people who have bought businesses have paid a goodwill component, whether it was a newsagency, coffee shop, or hairdressers—whatever the case may be. Changing circumstances can sometimes affect the viability of those businesses through technology. It could be through a change in planning. If members cast their minds back to when Elizabeth Quay was constructed, a number of businesses were greatly affected by the construction process and they were offered some relief or compensation for the losses suffered. In the business community generally there are always risks, and there are certain situations in which the goodwill component can evaporate in a heartbeat.

There is also the other side of it. The taxi industry has been a government-sanctioned monopoly. The government has received substantial payments for taxi plates over the years. On that side of the coin we are looking at a private property right that has been eroded by the fact that the government has not acted on the rideshare situation over time. The government regulated the industry. The government allowed another competitor to enter the market without any rules affecting those who did everything by the book.

It needs to be acknowledged that the WA government has tried to ease the pain a little with some hardship payments. In the last term of government, hardship payments of \$20 000 were made; funding of \$1.5 million was provided to the Small Business Development Corporation to assist plate owners and licensees to adjust and transition their business models; and a \$20 million transition adjustment assistance grant consisted of \$20 000 per conventional Perth-owned plate, which I spoke about earlier, and \$6 000 for each restricted Perth-owned plate. Although the amounts have already been received by taxi owners, I understand that the compensation payment will be deducted from the amounts that were paid in advance.

An information sheet on buyback examples was put out by the government. It shows some examples of the different amounts of compensation that taxi owners will receive. Those who have held their plate for many years, back to March 2000, will be paid about \$180 000. I have a problem with the column “Estimated Monopoly Profit Earned since purchase”. I do not see how that has anything to do with it—that is, the length of time the plate has been held and the profit that may or may not have been made during that time. A person who runs a business makes a profit. It is hoped that the goodwill component will increase in value over time, not decrease in value. I am a little perplexed how this calculation of the estimated monopoly profit earned since purchase has any relevance. “Other payments received” in this case is \$20 000. The “Net Gain or Loss on purchase” is minus \$154 475 and the “Buy-back eligible amount” is a \$100 000 floor. The taxi plate owner gets \$100 000.

I know that a number of taxi owners bought multiple plates because of their confidence in the system. Some bought three or four plates for a retirement package. Of course, the value of that now has greatly diminished. I can understand the pain. I have received all of the emails, as many others have. I have received a few in which people want this bill to go through. Obviously, they bought their taxi plates more recently.

Another example is given in which a taxi plate was purchased in June 2015. That must have been right about the time that the rideshare industry entered the Perth market. The plate purchase price was \$262 000. Obviously, it was worth a lot of money at that point. There is the estimated monopoly profit earned since purchase. Again,

I question that calculation. They also received a \$20 000 payment. They made a net gain of \$210 000 and will be paid \$210 815.

Example 3 is “plate purchased recently at peak price and received a hardship payment”. In February 2014, the plate purchase price was \$320 000. Back in 2014, a taxi plate was obviously a very valuable asset. The estimated monopoly profit earned since purchase was \$56 390—again, a \$20 000 payment was received. The net gain was \$243 610. The buyback eligible amount is a net loss of \$243 610. They have received a \$92 300 hardship payment, so they will get \$151 310. It goes on with these calculations.

I have some difficulty with that. I would expect that an asset held over time would go up. As I pointed out earlier, there have been many cases in which goodwill has been affected by changing economic and technological circumstances. In this case, this was government sanctioned. Now these people who own these plates are going to suffer a substantial loss. The calculations are obviously based on the individual circumstances of taxi plate owners, how long they have held the plate and how much monopoly profit the plate has earned over time. I still do not know why that would come off the value. This will allow those who are affected the most to receive the most support during the difficult transition time.

There was comment in the other place that about 72 per cent of taxi plate owners will receive the minimum of \$100 000. Most taxi plate owners will receive the minimum. The remaining taxi plate owners will receive above \$100 000 per plate, as per the calculations I read out earlier. For the average person, \$100 000 might seem like a considerable amount, but if they have already paid out \$250 000 to \$500 000—maybe \$1 million if they bought three plates, or it could be more if they bought four or five plates—\$100 000 compensation is really devastating when it comes to the assets that they had. In an ideal world the government would fund a full buyback scheme to compensate taxi owners for the situation they have been forced into through no fault of their own. Unfortunately, we find ourselves in a far from ideal situation and, of course, realism comes into play. Notwithstanding that this package will affect a lot of taxi plate owners, it is my understanding that it is still superior to the situation in both Victoria and South Australia, where plate owners received a lower package.

The money for the taxi plate buyback is to be raised by an industry levy over the next four years under the Transport (Road Passenger Services) Amendment Bill 2018, which is due to commence early next year. The levy will be 10 per cent and is to be a maximum of \$10 per fare. It is anticipated that \$120 million will be raised over four years to provide that compensation. It will apply only in the Perth metropolitan area and the districts of Mandurah and Murray; regional taxi car and charter operators are exempted. I must admit, I am a little perplexed as to why charter vehicles have been lumbered with this levy. Yes, charter vehicles carry passengers but they seem to be very specialist transport operators. I understand that exemptions may be in place for charter vehicles that do weddings and other jobs that are not related to going back and forth to the airport. I am surprised that they have been included in this. It is good to see that the levy will become payable only after the relevant passenger transport service booking has been completed. It is also good to see that the levy is limited to on-demand passenger transport services and vehicles that are equipped to seat no more than 12 people, including the driver. Small bus tourism operators will not be affected. There was discussion in the other place as to whether there would be a sunset clause in this legislation to ensure that the levy stops once the compensation package has been fully paid out. That is maybe something we can ask about during Committee of the Whole House.

One does not have to be a mathematician to know that the government has the numbers in the house for this legislation to pass, so whether I support the bill or not, it will not be critical today, although some of the amendments, if they get up, could make a difference. The legislation has also been described to me by the government as an all-or-nothing offer, which I think is pretty heavy-handed, but that is how it was expressed to me. I will support the Transport (Road Passenger Services) Bill 2018 and the Transport (Road Passenger Services) Amendment Bill 2018. I certainly do not want to risk the possibility of an all-or-nothing situation arising, which would be very brutal; the government would be very brave to do that. In any case, the numbers are there, and I will be supporting the bill.

HON TJORN SIBMA (North Metropolitan) [8.42 pm]: I rise to make a brief contribution to the cognate second reading debate on the Transport (Road Passenger Services) Bill 2018 and the Transport (Road Passenger Services) Amendment Bill 2018. From the outset, I want to say that I have been impressed by the calibre of contributions from every member in the house, regardless of their differences on this legislation. While respecting the position of my party room, it is after great consideration and with great reluctance that I have personally elected, as a member for North Metropolitan Region, to not support this bill, for reasons that I will go into and for reasons, with the greatest respect to Hon Colin Tincknell, that are different from his party's position, although I understand that position.

This legislation has its merits. I will not descend into a partisan exchange about those merits or about the capacity of previous governments to deal with the taxi industry and the arrival of digitally disruptive on-demand transport

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services. I do not think that kind of contribution would be any contribution at all. It is interesting because this is where the microeconomic reform rubber hits the road. It is all very well for people to talk in the dry language of economic theory, unfettered competition and deregulation, but if we do that, I think we have to also be cognisant of the consequences of that kind of policy approach. We are talking about real people who have made investment decisions. Personally, I would hate to be in the position they are in. I want to recognise the stress and the anxiety of those owners. I also wish to give forewarning of what I am about to say next. There may be some here who find what I say difficult to understand or accept.

For at least the last 50 to 60 years, the taxi industry in all Australian jurisdictions can be fairly categorised as a quasi cartel; there is a certain privileged group of early investors and a government, and their interests feed off one another. Reform focused on the availability of services or the quality of customer and passenger services, although not amongst the first or second-order political issues discussed in Australian political life over the last few decades, nevertheless resonates from time to time. Governments of all persuasions—be they Labor, Liberal or National—in every Australian jurisdiction have grappled with the political realities of a highly regulated taxi system. Efforts to shift the dial and to introduce some measure of modest deregulation focused on the needs of the customer and the broader needs of business, commerce and the general community have, generally speaking, run into walls of resistance. Those walls of resistance have been built, brick by brick, out of regulations.

I will return to that dynamic later. I also want to be clear: if I am going to take the radical and, I hope, very rare step of departing from the perspectives of my party colleagues, whom I deeply respect, I should give a broader justification for why I am doing so. In so doing, I want to explain exactly my reasoning and what I do and do not believe. First of all, I agree with the general sentiment expressed by just about every speaker here today that governments bear culpability for this situation. In some instances—not rare instances—they have encouraged the purchase of plates. People have been induced into the system and have taken as guaranteed a permanent and unchangeable government disposition towards regulation in the industry.

My disputation in respect of the compensation paid to owners does not turn on whether they deserve compensation; I really believe they do. I have heard and understood that in their considered view, the quantum and adequacy of the compensation offered by this government does not meet their expectations. The explanation for why they have the expectations they do has already been well canvassed by both my colleague Hon Simon O'Brien and my colleagues in the other place. My problem is that this is not an industry levy; this is a passenger levy. Although 10 per cent of a fare to a maximum of \$10 per ride might not sound like much, it is an inequitable and frankly lazy approach to take. It is unfair on those residents of the metropolitan area who live beyond 10 to 12 kilometres of the CBD. I am speaking for the population of the north metropolitan area. I look at what is being proposed and I think it is unfair that anyone who avails themselves of this service who lives north of the Powis Street, Cedric Street, Reid Highway and Warwick Road exits are more than likely to pay more for a service. I find it unfair that the people who live in Warwick, Greenwood, Kingsley, Woodvale, Beldon, Connolly, Joondalup, Edgewater, Burns Beach, Clarkson or Mindarie have to pay more for a service. That is inequitable. We also need to reflect on the realities of life as it is lived by people. A husband and his wife who want to go out for a night hire a babysitter. They are going to go out and they are going to drink. They should not drive so they are going to take a transport service. Those special occasions, particularly for people with young children, are something that they live for and really need, to be frank, to gain some clarity of mind the next day, because sometimes they are very close to losing it so they need that outlet. But why should a couple like that pay an additional \$20 for that privilege when incomes have not grown very much and when they are dealing with the reality of increased cost-of-living expenses?

I also want to say that I have absolutely no personal affinity for or prejudice toward any particular provider. I have been using taxis for 25 years and I have been using on-demand services of a kind for maybe the last two or three years. On Friday night, when I went out to Burswood to attend the Liquor Stores Association of Western Australia annual awards night, I took an Uber in and I took a taxi back. Although it is a microcosm and a personal experience, that gives me some indication of where this industry overall should be headed. Yes, we need a level playing field. Yes, I think there is scope for a plurality of service providers, but although I can see that those service providers require an understandable and clear regulatory framework, they also need to be focused on the customer value proposition. I do not want to make gratuitous remarks about an industry, but it is fair to say that the taxi industry in Western Australia is a storied one and that in the last 10 or so years that I have been back in WA, I have on occasion contemplated what I thought to be an unhelpful and almost defensive response to any government's attempts to deregulate that industry. I worried about that for a number of reasons. Firstly, I thought they missed the point that it is a service industry that is providing a service to paying customers; customers deserve a value for that service. The other thing I worried about is how long that kind of brinkmanship could possibly endure. Before the time 10 years ago that we had supercomputers in our pockets and a couple of geared up venture capitalist tech nerds put together a company called Uber in San Francisco in 2009, generally speaking the taxi industry in Western Australia could dictate the terms to governments and it very much did dictate the terms to customers. That is my personal lived experience of living in different states in this country and coming home for

Christmas, waiting for 90 minutes or two hours at the airport taxi rank, or being denied service when I was obviously carrying bags and had no other option. Unfortunately, as humans we have that tendency to reflect on the more negative experiences that we have and we do not, whether it be evolutionary or not, automatically make recourse to our positive experiences. That is unfortunate, but that is the truth. It is unfortunate that when that tech bubble burst, when the agents of disruption came, the taxi industry and its business strategy were vulnerable in a way that it had not previously contemplated. That is the reality.

I will not get into the dry discourse of Harvard business professors, except to mention one, who on occasion I find very useful in dealing with issues such as this. It is a gentleman by the name of Professor Michael Porter. One of his contributions to business strategy has exemplified what he calls the five forces analysis. His mission was to find out what makes an industry more attractive than another. What are the dynamics that make one industry, say the airline industry, less profitable than another one such as auto-manufacturing? Effectively, there are five forces in general that apply to any business or industry simultaneously at different effects. It is about relativities of power. There are relativities in the power that a supplier or a customer has. There are relativities in the threat posed by new market entrants. There are relativities in the threat quantum posed by substitutable services or commodities. Then there is the sort of culture of the industry itself and how given it is to competitive rivalry. Until Uber's arrival, all those forces were effectively deflated, but they were deflated primarily by an exceptionally high regulatory wall that forbade new market entrants and the arrival of competition. The problem is that that model applied in the twentieth century and it did not foresee the kinds of innovations that the early twenty-first century has brought. I have said before that this chamber is going to be dealing with these kinds of issues for the rest of its foreseeable future. I must say I am not in a position, I am not inclined and I do not think it is fair to reflect upon the nimbleness or the adequacy in previous government's responses to the Uber issue. I know I can be accused of some measure of defensiveness because I am a Liberal; that is not my point. I am a new member, I have not contributed to the legacy that I have inherited, so I will leave its defence to someone else, but it is my observation that every government and every jurisdiction around the world was troubled by the arrival of Uber and other like platforms, and each of those jurisdictions responded in different ways at different levels of effectiveness. I want to pay credit to my colleague the member for Bateman who, before well-understood events, was the Minister for Transport. He was at least at the beginning of attempting to process this through the bureaucracy and it was very difficult. I remind members that in their auditing process, Department of Transport officials attempted to book rides on Uber, and Uber, effectively, blacklisted them. I remarked earlier that I have no ingrained affinity for nor prejudice against any particular service provider and it is the same for Uber. I think it is a corporate bully.

Hon Sue Ellery: That's its business model!

Hon TJORN SIBMA: It is a business model founded in the unsophisticated social awareness of Californian tech billionaires. The Liberal Party is a broad church, but I am on the conservative political side. I am not on the libertarian crash-or-crash-through side. My own political trajectory took some time. I reflect on the remark made by Christopher Hitchens. It might surprise members opposite that I read a fair bit of Hitchens as a younger man. He made an observation about libertarianism in the United States in particular, which I will paraphrase. He thought, "Isn't it sweet that Americans look at libertarianism and think, 'We're still not selfish enough!'" That is my personal view of libertarianism. As an ideology it has great value, but it must be applied in the real world. My experience is that it often fails or it tramples people, but that is the reality. Uber did not jump over the wall; it just went around it. That is a very sad thing, but it is where we are. In the end, in a service industry the customer is king or queen and Uber provided what customers considered to be a superior service. I understand, frankly speaking, that the drivers probably get the wrong end of that business model and I think that is lamentable, too. However, as long as customers see value in Uber that is superior to other providers, they will go with it, Shofer, Ola or any of that panoply of other providers that may flourish in this jurisdiction.

I will return briefly to the subject of compensation. If I had bought my plate in 2015 and I had been given assurances throughout an election campaign that my payout may be up to double what it ends up being, I would be angry. However, I am also mindful of the need to ensure that no person in Western Australia pays more for that compensation scheme than they should. I do not want to reflect on the adequacy. I can certainly understand the anger and upset. Unfortunately for a bill like this, I think the calculations that have been provided are material for endless disputation, which is why I do not think it is timely now to consider alternative models of compensation such as my colleagues in One Nation provided earlier. My concern about paying not enough is matched by my concern with potentially paying too much.

The final point I wish to make is that in a highly regulated monopolistic environment, operators who are privileged are in the position of extracting value rather than reinvesting that value. My personal view is that in the main it has been a value extraction model, which has not led to superior levels of customer service. If it had, perhaps the threat posed by Uber and the like could have been somewhat blunted. As a consequence, I think that governments previously charged too high a price for an asset class that had returns that outperformed just about every other

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asset class in Australia over the last 10 or 15 years. The quantum put on that asset has been over-inflated and we are now seeing an unfortunate but, sadly, inevitable sharp contraction in that asset value. I am not a businessperson, so I do not want to make any gratuitous or insensitive remarks to any people in the gallery tonight. This is their bread and butter. However, the government owns this. It has delivered its ultimatum. There is no scope for the opposition to govern from opposition. We cannot re-confect this model or put it back together again. My considered perspective is that we have gone on far too long and that if we delay resolution of this issue in a way that does not prevent suitable consideration, the value of plate owners' assets can only decline further. That is something else that I am committed to avoiding.

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [9.06 pm] — in reply: I thank all members who have made a contribution to the second reading debate on the Transport (Road Passenger Services) Bill 2018 and the Transport (Road Passenger Services) Amendment Bill 2018. A range of views have been expressed and we are all coming at this from a range of viewpoints. It is my intention to address many of those points canvassed or questions that have been asked of me this evening. I am aware that a number of amendments are on the notice paper, so there will be an opportunity in the Committee of the Whole House stage to ask me further about issues that members think I have not addressed to their satisfaction.

The debate on this legislation has been interesting. I thank the opposition for its indication of general support for the bills. As a member with former responsibility for the industry, I appreciate Hon Simon O'Brien's candid and practical view that the industry needs a fresh start and that, by and large, the bills before the house tonight provide a good foundation for going forward. The government acknowledges that members have concerns with the buyback proposal being offered to Perth taxi plate owners and the impact this might have on the levy. I hope to address some of those concerns tonight and elaborate more, if necessary, during the Committee of the Whole stage.

The member for South Metropolitan Region, Hon Simon O'Brien, mentioned an alternative proposal for a taxi plate buyback. It was developed by a consortium of taxi plate owners operating under the Taxi Operators' Legal Defence Fund. I am told that it is not the position of the global company that was instructed to prepare the submission for consideration by government and I think that is clear in the submission. The buyback scheme proposed by the government has been designed to recognise that not everyone is equal as a plate owner. People have bought into this industry at different times and for differing amounts. They have earned money from their investments for different periods. The alternative proposal that has been put forward does not take this into account at all. It states that everyone is entitled to the same amount, regardless of how long they have been involved in the industry. The government thinks that this is not a basis for an equitable buyback scheme. People who paid recent higher prices for their plates and have had little chance to derive an income from operating them should not be paid the same as someone who has held the investment and earned an income from it for many years. The government has been unequivocal in its rejection of a one-size-fits-all buyback proposal.

Hon Colin Tincknell also spoke about the proposed buyback put forward by the Taxi Operators' Legal Defence group. We believe that the proposal put forward by TOLD will burden drivers. The government's proposal places responsibility for the collection of the levy on booking service providers, not on drivers or passengers directly. This means fewer collection points for government to deal with and more streamlined administration. The government's model also encourages competition between booking service providers because they can distinguish their business models to customers by choosing to absorb the cost of the levy rather than pass it on to their customers. The government's proposed buyback scheme seeks to apply the principle of equity, which recognises the return a person has been able to realise on the purchase of a taxi plate during the time in which they have held that plate. We believe a buyback amount based on a single market price for all, as proposed by TOLD, is simply not equitable. The government is offering better than market price for the plates and this is the most generous buyback scheme in the country, as I think Hon Tim Clifford alluded to in his contribution to the debate.

I turn to Hon Rick Mazza's contribution. With respect to comment about why monopoly profits are taken into account in the buyback calculations, I am told that the income from private leasing of a plate is considered a monopoly profit in that it would not have been asked for if it were not for the fact that the plates were controlled in supply. Monopoly profits are profits obtained purely from their investment and can be distinguished from business profits. Monopoly profits are the estimated profits that the government calculates could have been earned in a protected market while a person owned their plate. The calculation of monopoly profits is based on the shifts lease rate.

Hon Colin Tincknell, in his contribution, stated that the government proposes to pay \$100 000 to buy back plates. For clarification, \$100 000 is the floor price offered for each conventional owned plate. Some individuals will receive significantly more, up to about \$250 000, for a single plate. The amount offered will vary depending on individual circumstances, the original price paid, how long the plate has been held and the monopoly profit the

plate has earned over time in a protected environment. This is a much more generous offer, as I said, than has been made in other Australian states.

In response to members' comments about the quantum of the buyback payments, as Minister Saffioti has said on the public record, no specific amount was promised prior to the election or, indeed, throughout consultation with industry. Dr Tony Buti, member for Armadale, and the minister's advisers also took care not to promise a figure in the first round of consultations undertaken following the election. There was a claim that the 10 per cent levy is not fair for the public, operators or taxidriviers. The levy is applied to booking service providers, not to drivers or to the public. As I said, booking service providers may choose to pass on to customers some or all of the cost of the levy. This will depend on their business model and their relative competitive advantage. Funding for the buyback has to come from somewhere, and it is more appropriate that it comes from users of on-demand transport in the industry, rather than the general taxpaying public.

Questions were asked about how long the levy will run and when it will go away. The levy will be in place for only as long as it takes to recover the cost of the buyback. It is expected that it will be in place for around four years. If the amount required for the buyback is raised earlier, the levy will end earlier. Clause 257 of the bill provides for the levy to end on a specified date with a notice to be published in the *Government Gazette*. The levy revenue cannot be used for other purposes, and, therefore, once the moneys have been recovered.

Hon Tim Clifford and I think Hon Tjorn Sibma asked why it is a 10 per cent levy and not a flat rate, and about the impact the 10 per cent levy would have on higher or longer fares. We believe that a percentage levy is a fair way of calculating what someone should pay as it takes into account how long a trip is. It is less likely to impact on shorter trips undertaken by the infirm or elderly, for example. The \$10 cap will ensure that that 10 per cent calculation will not unfairly impact people who need to carry out longer journeys or who hire a vehicle at a cost of over \$100. Hon Tim Clifford rightly said that the taxi user subsidy scheme will remain in place under these reforms. I think it is important to place that on the public record.

In relation to the proposed amendment to exclude limousines and small charter vehicles from the levy, like taxi services, charter services, including those provided by limousines, involve the hirer determining the time as well as the start and finish locations of the journey. The charter sector has been competing with the taxi industry at an increasing rate in recent years, including as a result of the 2016 reforms under the former Liberal-National government, which sought to level the playing field between the sectors to facilitate such competition. At the time, these reforms included the removal of the \$60 minimum fare historically applied to charter vehicles and the removal of the requirement for charter vehicles to be in the luxury category. Exempting limousines and small charter vehicles from the levy would see services provided in those vehicles provided with an unfair competitive advantage compared with providers of pre-booked taxi services. It will result in an uneven playing field, which, as I said before, is contrary to the intent of the reforms. Hon Simon O'Brien's proposed amendment would see bookings for vehicles used to provide services in connection with key competitors with the taxi industry, including Uber, Ola and other new entrants. I am advised that as of the end of June 2018, 13 086 licenced charter vehicles were in operation in this state. Regulations will provide that booking services that exclusively offer weddings, funerals, balls, tours and other special event charter services in limousines or luxury vehicles will be eligible for an exemption from the levy on application to the chief executive officer.

Hon Colin Tincknell in his contribution suggested that there had been insufficient consultation. I have to say that I disagree. The on-demand transport green paper was released in July 2015 for public and industry comment over 12 weeks. The green paper was extensively promoted and received 5 831 responses by email, post, online survey and questionnaires held in shopping centres in Perth and five regional areas around the state. Submissions to the green paper presented, I have to say, divergent views of stakeholders within and users of the industry. The vast majority recognised the need for change and supported the simplification of regulations. Extensive stakeholder consultation on the proposed reforms was also undertaken between March and October 2015. I am advised that the government agencies consulted included Main Roads Western Australia, the Department of Finance, the Department of Commerce, WorkSafe, the Small Business Development Corporation and the Public Transport Authority; industry stakeholders consulted included on-demand transport companies such as Swan Taxis, Albany Taxis/Albany Transit and Uber; industry peak bodies such as the Australian Taxi Federation, the Chamber of Commerce and Industry of Western Australia, the Motor Trade Association of Western Australia and the Transport Workers Union of Australia were consulted; and also consulted were peak stakeholder bodies such as the Disability Services Commission, the RAC, individual taxi plate owners and individual on-demand transport drivers.

An on-demand transport advisory group was established by the previous government, under chairman Howard Croxon, to provide a mechanism for the exchange of information between stakeholders and the department in relation to early administrative and regulatory changes. Membership of that on-demand transport advisory group included representatives from across the on-demand transport industry and consumers, including

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people with disabilities. The industry and relevant stakeholders on the advisory group also contributed to early discussions around elements of the reform in this bill. As previously alluded to, Dr Tony Buti, MLA, was appointed the on-demand taxi and charter reform coordinator in March 2017, and he has met with many stakeholders since that time. Following Minister Saffioti's announcement of reforms on 2 November 2017, officers from the Department of Transport met with major potential on-demand booking services including Swan Taxis; Uber; Black and White Cabs; Shofer; BusWA, representing the tour and charter industry; the Motor Trade Association and taxi fleet management companies. More recently, DOT has undertaken further consultation with Tourism WA, the Western Australian Local Government Association, the Economic Regulation Authority and the Insurance Commission of WA.

Again, throughout the drafting of the bills, the Department of Transport has worked closely with a number of agencies, including the Office of State Revenue, the Department of Mines, Industry Regulation and Safety, the Department of Justice, the State Solicitor's Office, the Public Transport Authority, the WA Police Force, and the Road Safety Commission. There have been a number of meetings with regional taxi operators, either individually or through the Western Australian Country Taxi Operators Association, including a specific meeting to discuss options for regional support, which happened on 2 February. I am told this meeting was attended by WACTOA members from Broome, Derby, Karratha, Geraldton, Kalgoorlie, Mandurah, Bunbury, Busselton and Albany. There have also been follow-up meetings and ongoing email exchanges with a number of regional operators and the department since this meeting. I am told, too, that over 300 separate pieces of correspondence to the Minister for Transport have been responded to since 1 April 2017. Dr Buti and the minister's office have had over 60 hours of consultation with the industry, including taxi plate owners, notwithstanding the hours of meetings the current Minister for Transport had with industry members while in opposition.

I am very grateful to Hon Simon O'Brien for providing me, behind the Chair, with a copy of the letter from his constituent. This raised the issue of future competition with autonomous vehicles, which was also raised by Hon Tim Clifford in his contribution. Specific provision is not made in the bill for automated vehicles. However, the kinds of passenger transport services regulated by the bill will be captured, regardless of whether the motor vehicle used to provide the service is driven by a natural person or by an automated system. Importantly, people who provide vehicles for use in passenger transport services are subject to a safety duty under the bill, to take reasonable steps to ensure the vehicle is safe and will not cause harm or injury to any person.

On deregulation and the removal of the cap on metropolitan taxi plates, I notice that the 2003 Giffard report referred to by Hon Simon O'Brien was prepared well before more recent changes to the industry, including the arrival of new players such as Uber and Ola. I am told that in 2014 the Economic Regulation Authority published a report into micro-economic reform in Western Australia that recommended removal of quantity restrictions on taxi plates. That report found that artificial restrictions in the supply of taxi vehicles resulted, at the time, in taxi services being expensive, undersupplied and unreliable. The ERA estimated that removing the restriction on the quantity of taxis would result in a reduction in the price of taxi fares and generate a benefit to taxi passengers of around \$47 million per annum. The intent of the reform is to allow for free competition and for the market, rather than government, to dictate service levels. Hon Tjorn Sibma, in his contribution, made the point that for many years now governments have been dictated to by the industry, so this measure seeks to change that. It seeks for the market, rather than the government, to dictate service levels. Providing a cap on the number of vehicles authorised to provide taxi services is contrary to this intention. Charter vehicles are not restricted in numbers. Deregulation of the taxi industry is essential to ensuring that the taxi industry can better compete with the charter sector. Retaining a cap would preserve the taxi vehicle licence as a special category within the industry, which would then continue to have a value related to its scarcity. The Economic Regulation Authority indicated in its 2014 report that this approach drove up taxi fares to customers. The removal of the cap is a fair and simple way to ensure that all existing vehicle operators within the industry can continue to operate their taxi vehicles, including the taxi management companies, while preserving the intent for all passenger vehicle authorisations to have no special value for the holder, and for the market to decide the level of taxis needed.

Hon Tim Clifford asked whether the bills supported innovation. The removal of restrictions on operations will support innovation, as operators will be free to operate in a way that best suits them. The bill will focus on the regulation of safety of services provided. We also hope that the \$500 taxi camera grant that the member referred to will provide support to regional taxis. As a regional member in this place, I have had that issue raised with me by my constituents, who are very supportive and happy with that contribution. I know that a number of parties have been involved in discussions with the government on this issue. It is an improvement that many people in regional Western Australia will support. Eight inspectors in the business unit will be supported by compliance officers in another area of the department, as well as by the regional services unit in country areas. It is not only that eight; there will be further support from a range of other staff in the department, including in regional Western Australia. Regarding the proposed amendment to exempt wholly electric vehicles from the levy, I understand that the Minister for Transport has

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Hon Colin Tincknell; Hon Simon O'Brien; Hon Robin Scott; Hon Tim Clifford; Hon Rick Mazza; Hon Tjorn Sibma; Hon Stephen Dawson

undertaken to give effect to the intent of the proposed amendment via regulations to be made pursuant to the bill. I acknowledge the good contribution made by Hon Tjorn Sibma. I understand that he has considered this bill very closely, and I appreciate his contribution, and the way he put it to the house.

With those comments, I commend the bills to the house.

Division

Question (Transport (Road Passenger Services) Amendment Bill 2018 to be read a second time) put and a division taken, the Acting President (Hon Adele Farina) casting her vote with the ayes, with the following result —

Ayes (22)

Hon Ken Baston	Hon Stephen Dawson	Hon Laurie Graham	Hon Martin Pritchard
Hon Jacqui Boydell	Hon Sue Ellery	Hon Colin Holt	Hon Samantha Rowe
Hon Robin Chapple	Hon Diane Evers	Hon Alannah MacTiernan	Hon Alison Xamon
Hon Tim Clifford	Hon Donna Faragher	Hon Rick Mazza	Hon Pierre Yang (<i>Teller</i>)
Hon Alanna Clohesy	Hon Adele Farina	Hon Michael Mischin	
Hon Peter Collier	Hon Nick Goiran	Hon Simon O'Brien	

Noes (2)

Hon Charles Smith	Hon Colin Tincknell (<i>Teller</i>)
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Question thus passed.

Bill read a second time.

Question (Transport (Road Passenger Services) Bill 2018 to be read a second time) put and passed.

Bill read a second time.