

STANDING COMMITTEE ON LEGISLATION

TAXI AMENDMENT BILL 2005

**TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
WEDNESDAY, 15 FEBRUARY 2006**

SESSION TWO

Members

Hon Graham Giffard (Chair)
Hon Giz Watson (Deputy Chair)
Hon Peter Collier
Hon Sally Talbot

Substitute Member

Hon Simon O'Brien

Participating Member

Hon Ken Baston

Hearing commenced at 11.50 am**KORDA, MR HENRY****Taxi Owner-Driver, examined:****GEAR, MR GEOFFREY****Taxi Owner, MPT Owners Group, examined:****REDHEAD, MR PHILIP****Committee Member, MPT Owners Group, examined:****PASOVSKY, MR JIRI****Taxi Owner-Driver, examined:**

CHAIR (Hon Graham Giffard): On behalf of the committee, I welcome you to the meeting and thank you for attending to assist the committee with its inquiries. There are a few formalities that I would quickly like to address before our discussions commence. Please state the capacity in which you appear before the committee.

Mr Korda: I am a taxi driver and owner of my plate.

Mr Gear: I own taxi plate number 2026.

Mr Redhead: I am the owner and driver of taxi number 2027 and, as not mentioned so far, we are all here as representatives of the MPT owners. We were elected in 2004 to represent them; we still do so.

Mr Pasovsky: I am an owner-driver, and owner of two taxi plates.

[11.50 am]

CHAIR: Thank you, gentlemen. Can I just get you to explain to the committee the process that you went through for the development of the submission? Would you outline that to us?

Mr Redhead: Yes. Initially, in 2004 -

CHAIR: I am sorry; I have launched into a specific question. I should ask you whether there are any brief statements that anyone would like to make in relation to their submission before we go on with that question?

Mr Redhead: We do have one very small submission just thanking the committee for the opportunity to address this committee. We are here as owners who are directly involved in the disability transport sector, and we represent all owners of plates 2000 to 2056 with an interest in the current bill. The bill, as we understand it, is not about money and ownership but about affordable service delivery to the disabled people in our community. It is our belief that the important question of improving service to the disability sector, which is a very important part of what we are talking about, can be answered with another question: why has the service deteriorated in the first place? We believe this amendment bill is part of the answer - the restoration of a level playing field for all owners. That is all, thank you.

Hon PETER COLLIER: Can I seek some clarification on that point? Mr Redhead, Mr Samnakay said that there were two representative groups. Can you give us a bit of an explanation of that? You said that you are part of the representative body of one of the groups? Can you please explain -

Mr Redhead: We work as a committee. We sort of practised for this so we can answer each question. Jiri will answer that.

Mr Pasovsky: Originally, some 18 months ago, we formed a committee that was supported virtually by the vast majority of taxi owner-drivers. In the process of negotiation, it was obvious that every owner has different issues from other owners. Therefore, inasmuch as up to date we still support a buyback, there is a degree of disunity that would be reflected either in the price or when the final offer comes through from the minister's office. To some taxi owner-drivers, it was not quite clear when the payment would be made, provided the bill was passed. Really, we personally feel that the disunity is primarily from the fact that not every t has been crossed and not every i has been dotted. That is it in a nutshell. Obviously, with the price, inasmuch as it was not the most palatable offer inasmuch as it was not the price that we were all hoping for, the majority of us, at the end of the day, found it an acceptable offer.

Hon PETER COLLIER: That is the group that you represent.

Mr Gear: I will add a few words to that. It might take a bit of time to brief all of you there on just where we have been and where we are coming from. We actually started this process in July 2004. It was primarily that someone mentioned to me that he was having difficulty with a bank loan as his plate had become worthless and the bank had sent him a letter. He said, "What can we do?" I said, "Well, very little, I think", because, as you possibly know, if you get a group of taxi drivers together, to get one consensus answer from them all is pretty much impossible. Therefore, I thought, "Well, I'll give it a shot", and we called a meeting, which was very informal, at Altone Park. As taxi drivers, we called that first meeting - that was in June - to canvass support from owners, only to present to the minister with the goal of putting the buyback of MPT transferable plates back on the table. That was the one and only question that was virtually put to us all there. It probably took us two-and-a-half hours, because people asked, "What is the price? What about this? It's going to go up." That is what we virtually started with in 2004. Subsequently, we had numerous other meetings. If you want me to run through them, I can; I have dated them all.

However, over a period, people get disillusioned and say, "You're not doing the right thing." Even with the group of the four of us who run the committee there was a bit of discontentment among the group: "You know something. You've not told me something." That was not the case, but we grew together as a group. I do not think it happened quick enough for certain people within our taxi group from zero to 56. Then there was the issue of, "Well, you haven't got a price. You haven't done anything." Other outside interests were then pushing maybe their own agenda. They wanted to gain some merit points. I will not name people because I do not think it is right to name people, but, as taxi owners, we know who those people were and the agenda they were possibly pushing. Maybe it was a union perspective; I do not know. I am not a union person myself, so my agenda was just to get the level playing field re-established at a fair and reasonable price for the 56 owners. Obviously, that did not come quick enough for some people, and another group - when I say "group", numbering probably 17 - started to push.

[12 noon]

That is where the other group would come in. I can honestly state now that the vast majority of plate owners, from 2 000 to 2 056, are all in agreement with the buyback. The issue for the ones who are not is price and price only. That is the one driving force that gives a bit of discontent between the 56. However, as I stated before, to get 56 taxi owners to all agree is virtually impossible.

Hon PETER COLLIER: The ideal of the two groups is similar, but the process -

Mr Gear: I do not know whether there are two groups. If the other group is represented here today then -

Hon PETER COLLIER: I am going only on the evidence we heard earlier today.

Mr Korda: To put it in a nutshell, we had meetings. We made a committee. This is the committee that was elected right from the beginning. We went through for a year. We got to the price, and then DPI called two lots of meetings of all drivers at which everybody could have a say to decide what the price should be and they could raise any discontent then. No-one raised anything about the price that was offered; all they were on about was its GST component. Another meeting was called by DPI. People who wanted to turned up, and, again, there was no argument about the price, just the GST component. We are now virtually at the end. We have the price; we were given GST and then, all of a sudden, somebody said that it was not enough. He went around telling drivers, "It's not enough; we want some more." This was after all that happened, so it was right at the very end. We heard that somebody wanted to start a group and go on. We said, "If you can get more money or whatever, good luck to you." However, it ended there. We have never met that group, although we know them because they were within our group. We do not know where they are coming from or what they are actually asking.

Hon PETER COLLIER: You have given me a degree of clarity on that. Thank you.

CHAIR: What you have just said has addressed the question that I asked you in the first place, which was about the process that you went through. Would you like to add anything about that process and how you arrived at this particular submission?

Mr Gear: In the initial meeting that we had, my concern was that the wheelchair passengers I was picking up were becoming disillusioned with the service they were receiving, and some of that was probably because of the decrease in the plate value. Owners were feeling under increasing pressure. They had an asset that they saw was no longer an asset; it had become virtually untradeable. People on the taxi rank were saying, "You bought it; you can't sell it." It was probably not the right thing to say. I cannot stress enough importance on the fact that we are totally separate from the wider taxi industry. The service we give is totally different. We all primarily work as owners with mobile phones. We are on call 24 hours a day, seven days a week. That is the industry we got into. That is the service we want to give to people with a disability. When I first came on board, the wider taxi community viewed us as just taking their work away from them, so when extra plates were released, there was no support whatsoever from anyone in the wider taxi industry. It is only as we got to the final stage of this negotiation that there has been a push from some members of the taxi industry to maybe try to scuttle this process, because, for whatever reasons, maybe they see that their particular little industry will be affected in the future, even though the minister has reiterated that it will not impact on them. She is solely looking at the MPT service industry. In the meetings we have had with her, she has indicated that she is primarily for the service as well. She had a concern that if the buyback did go ahead, the continuity of the service would drop. I had that view as well, because you cannot just suddenly give people a cheque and expect them - well maybe that is the case, but you take the risk. At the meetings we had with the DPI, some debate took place about the bond. Maybe the bond could be finetuned a little. If people are in it for two years, maybe they could get back two-thirds of the bond. That was one owner's concern. He said that he did not like the bond. We explain it in the best way we possibly can, but, at the end of the day, it is their decision to make. That was one little area. I do not know whether anyone else wants to add anything about the service.

Mr Korda: I saved money to buy my MPT plate. I went to the bank and paid \$120 000. I bought it through the way the system operated, which was that a tender was sent, you outline how much you will give and the highest ones were picked. I got my plate. Three months later, 25 plates were released. All of a sudden it said, "\$1 000; you will not own them, but you can get \$1 000 plus whatever you want to give above that." Most of my friends who put in got them for about \$2 500.

CHAIR: When was that?

Mr Korda: It would be early 1999-2000. I am not sure of the date. Twenty-five were released. They were non-transferable plates. You got it for life with one payment. You put on a driver and the driver gave you nearly \$400 a week, so the driver was paying off the plate and the car and you were raking it in. An investor now becomes a car investor. All you had to do was have the car with that plate and you were raking it in. I was paying my repayments, having to sit on a rank up to today. Now it is worse because I have a \$10 plate sitting there as well. We are supposed to cover work, run for jobs, pick up MPT work etc with different cost structures. The meetings started when the \$10 plates came out and we said that we had to do something because there were three levels within the one. We also found out that MPTs are not classed as taxis under the act; they are classed as MPTs, so we were not even taxis. Initially, we proposed that we be made taxis to put our value back. My taxi is for my retirement; it is my superannuation. I do not have anything except the taxi, which I had hoped to sell when I retire and have that money. A lot of drivers have done that. A lot of us are still paying it off. This is a way out in which I can transfer my money from the plate and get whatever. There is only one buyer in the market and that is the government. We discussed with the government the best we could. Everybody rated us higher. We had everything until the Giffard report came out. An independent report that was not used came out before the Giffard report. We were told that we could not use that one. In 2000, the Taxi Council rated us at \$158 600 for the value of our plates, but we could not use that because it was not in favour of the buyback, so we had to start from scratch. The figure that the department used was for the year it picked, which was the worst year we could think of. We tried everything we could. At one stage we were even thinking of taking some action to see whether we could shift it. The general consensus was that we would not do anything against the disabled people, because we work with them and a lot of them are our friends, and we would get the best deal we could. We got that far. We got to the stage at which GST was included in the final offer, when somebody said, "We want more." Certain people were saying that we could get it. That is the rub. When you are there and about to sign up and someone says in your ear, "Don't worry about it; you can get more," you hold back. They say, "We'll see what happens. We have until this date." We are at that position. It was going through Parliament and we thought it was settled, but it has ended up at this committee. People are still saying, "We'll hold back. Let's see what happens." We are here to say that we went through the whole process. Everybody was involved. We never missed anybody. We had a lot of meetings. We were thankful that the DPI called two meetings of all drivers at which they could say what they wanted. It was all taken. Nobody could say that they were not heard or listened to. We are still where we are. The majority supports the buyback - they want the buyback as soon as possible.

Mr Gear: We started this prior to the election. We met with Katie Hodson-Thomas. We got Katie's position. The four of us met her in her office. We even took one other member of the group with us. My idea was to incorporate as many people as I could in the group, because we could get an informed decision, rather than just the four of us sitting there being asked all these questions and not having the answer to this or not recording this and that. I thought, "I'm trying to run my taxi business as well as meet with members of Parliament." Different people were allocated to meet.

[12.10 pm]

Someone met with Jim Scott from the Greens (WA). This was prior to the election, because at that stage who should we deal with? There could have been a change of government. That is how long it has been. We have certainly done a fair bit of work to get to this stage. That is why I phoned you, Simon, on that Thursday in November. I phoned John Day in Queensland. He told me that meetings were held. I said, "Please, just give me a phone call." You did not have time. Phil was the same; he had correspondence with the Liberal Party as well. We have hurt for so long now as owners; well and truly hurt. I do not think we deserve that as owners and operators of a bloody good service. I mean, it is second to none. I think anybody who gets in our wheelchair taxis in

Perth would give you that response. Okay, we may not meet the odd job in Armadale or Mundaring, but by jingo we certainly do well most of the time. We have a good work ethic and good practice, and we work long hours. We do not expect a lot in return, just a fair go. This is giving us a fair go to return to that level playing field where we can compete equally and retire that debt.

Hon SIMON O'BRIEN: Thanks for that. I do not recall whether I spoke to you on the phone. If I was not able to get back to you when the bill was going through the house, I am sorry about that.

Mr Gear: No, you did speak to me.

Hon SIMON O'BRIEN: I did, did I? Through the Chair, I think I speak for everyone on the committee when I say that the attitude that MPT operators bring to the job in terms of the service that they provide to people with disabilities is acknowledged and appreciated by us all.

Mr Gear: Thank you, Simon.

Hon SIMON O'BRIEN: I thank the Chair for his indulgence in allowing me to offer that. I am sure that no-one would disagree with what I said. In relation to the bill, the second reading was supported in the upper house; it was passed. The bill was actually brought on with 20 minutes left of the sitting year, and there physically was not time for it to go through the various stages. However, I think all sides truncated their remarks, which is reflected in *Hansard*, to pass the second reading so that the policy of the bill was agreed. It has not been derailed in that sense. I just respond in that sense. There is support for the buyback at \$108 000. If you did not have this proposal on the table now, what would your plates be worth if you wanted to trade them?

Mr Korda: Ten dollars.

Hon SIMON O'BRIEN: Okay. Is it fair to say that the success of this proposal, and therefore your support for it, is that you get your capital back, whereas otherwise you would not?

Mr Korda: Yes, that is right. We can reinvest it if we want. In my case it is my superannuation. I can reinvest it somewhere else; otherwise, I would have got nothing. Other people can repay their loans. That is what I will do; I will use most of it to repay the loan I already have. Some drivers will get more. We tried different formulas and this was the best way to work it out. It was agreed that if someone did not want to sell the taxi plate because of the tax structure of his business, he should be allowed to do that. We then had no opposition.

Hon SIMON O'BRIEN: Henry, you mentioned in your summary that \$108 000 was an agreed figure and was deemed to be a fair figure - that you should take that as that would be good. I thought that was the sentiment you explained. However, you also indicated that previous reviews or reports had suggested that a fair price would be considerably higher than \$108 000. I also thought I heard you say that it is a pity that the figure we are currently dealing with - \$108 000 - was based on the previous year's figures, which were depressed.

Mr Korda: Yes.

Hon SIMON O'BRIEN: I am trying to work it out. There is a bit of a conflict between the two points. You obviously want to take the \$108 000 if that is what is on offer.

Mr Korda: All we are saying is that when we started this we all had high hopes that we would get \$1 million - we have a great government with plenty of money and it would give us all \$1 million. Then reality slowly crept in. When we started negotiating, it had to be based on something. The minister wrote a letter asking us what we were proposing. We did not put in a price. We had a big meeting and asked what the price should be. We then referred to the different documents that were around. There was the independent review, which I think was done in 1999, the Giffard report, which contained certain proposals, and the one by the Taxi Council of WA, which we liked a lot because it was by the council and everybody says that it represents the industry. We decided that we should use its report if it represents the industry. We did not have to argue because it was in

writing. The report came out in 2000 and graded us - MPT at \$158 600. We said, "Fantastic. They'll accept this." This figure was proposed and it was thrown out. We are not saying that we do not want it. The \$108 000 was acceptable to us in the end, but it is not what we would really be happy with. I mean, it is a negotiated settlement. We would like more. If you guys could give us another \$50 000, that would be great, but if you cannot, do not rock the boat. Other people might then think, "He was favourable to that. I think he is going to back me. I'm not going to sign this." We have gone down the track. We ended up with \$108 000, and that was wavering. The DPI called a meeting of all drivers to clear this up. We expected a lot of people to stand up and say that they wanted \$200 000 or whatever. It was a pretty good meeting. GST was the big issue, because that is worth nearly \$18 000. That was put on top. We seemed to easily have majority acceptance of it. I think only one person objected. Everybody seemed happy. A week later, a group formed; somebody said that it was not enough. It was the end, you see.

Hon SIMON O'BRIEN: Who is the elected chairman of the MPT group?

Mr Redhead: Originally, Geoffrey was our chairman.

Hon SIMON O'BRIEN: Who is it now?

Mr Gear: I am still that person. I can answer a question if you want to direct one to that group.

Hon SIMON O'BRIEN: It was put to me that another person was duly elected as chairman. He must be from the splinter group. What is the position with that? Can you clarify it? Is it in dispute?

Mr Korda: We are all the same people.

Mr Redhead: We have always looked at the other group as being the action group. They are the people who wanted to join unions or wanted to take militant action or go on strike or such like. This cropped up when people started splitting and things became really unhappy. We like to think of ourselves as being democratic and diplomatic. We believe in talking. We have had lots of discussions with the minister and all the assistants. We have had a fair deal all the way down the line. We have always been listened to. I have not seen any reason to break that diplomatic and personal approach. We could have gone to newspapers or unions. We have never had a union involved. Unions have approached us to try to get us to join and we have literally thrown them out of the meeting. In fact, a lot of members said that if a union official was staying, they were going, as they would not have anything to do with the union. Our members did not want unionisation, action or strikes. A few people did. There have been threats of that, but because they could not get the whole of our group together, it was ineffective. Basically, we stayed as a moderate group and guided it all the way through to this point.

Hon PETER COLLIER: I thought I got some clarity on this earlier in the piece, but a cloud is forming at the moment. I understand from what you have said that there are now two MPT owners groups. Is that correct?

Mr Redhead: I do not believe that there are. There is a group of 17 people who agree with us all down the line but would like more money.

Hon PETER COLLIER: That is right.

Mr Redhead: They are not a separate group as such.

Hon PETER COLLIER: Are they called the MPT Owners Group?

Mr Redhead: Not as far as we know. They were formed as the MPT owners action group. They call themselves the action group. They are the ones who wanted to take more action to get more money.

[12.20 pm]

Hon PETER COLLIER: I understand that. You are effectively what would be regarded as the legitimate MPT owners group.

Mr Redhead: When we first started, Geoffrey called us together and we all joined as one. We had a sheet of paper with all our signatures on agreeing to head for compensation, if we could get it, buyback being the answer.

Hon PETER COLLIER: You are in your eyes still the legitimate MPT owners group. Geoff is your president. Do you have any idea of the number of members of your group?

Mr Gear: I think we have had 50 at one meeting, which was the last one.

Mr Pasovsky: There would be a figure of written submissions for buyback, but nobody knows; we cannot find that figure, so we are speculating somewhere around 48. That is a speculation. All the 56 who have sent a submission in are obviously in support of this group sitting in front of you. There are still those who are in support of us but who are sitting on the fence. All of a sudden they say, "Two days only. Not to worry." Hopefully they will be all right at Christmas with a cheque worth \$50 000.

Hon SIMON O'BRIEN: Geoff, you mentioned earlier that there is a group that you estimated numbered around 17 that might be called perhaps the hold-out-for-more group, for want of a better description. Does it comprise 17 individuals or 17 plates, or both?

Mr Gear: When we say 17, that is stemming from many months ago now when they used to meet at a certain venue, which I did not always attend. Partly I did not feel comfortable sometimes with confrontation and there was not the bulk of owners there. We were getting phone calls telling us that the meeting was going to be held there. No, I did not feel comfortable with that, so I did not attend some of those where there were 17. That is where I draw on the figure of 17. Many more after that went to that meeting and said, "I wish I had never attended."

CHAIR: When you say "there", where is "there"?

Mr Gear: The Rivervale Hotel.

Hon SIMON O'BRIEN: I think I have a feel for the situation.

Mr Gear: I had someone phone me up who wanted to go through and abuse me on the phone and swear at me, and also the person sitting next to me. Again, if you want that, you can have that name, but I do not think it is going to help the cause in any way at all. It will just divide. That is not what we are here for. I think we are here to collectively sort out this mess and get the service level back up to the standard it was prior to those \$20 plates.

Hon SIMON O'BRIEN: I appreciate that this is a very general question and that I am asking for the feelings of you, Geoff, and your colleagues, but is it your feeling that currently most people operating MPTs would probably continue to operate them or would they do so only under the duress of bonds and things like that?

Mr Gear: Speaking for my three colleagues sitting next to me, I know they will all remain in the industry. I know a couple at the back who will remain in the industry. I cannot say 100 per cent how many but I would say the vast majority, because we are not young people any more. We got into the industry knowing we would be providing a service to people with disabilities, which is not working Northbridge on a Friday night. We were primarily attracted by the ads that were placed in *The West Australian*. When I was interviewed for the position, they went through all my figures down in my own house. It was pretty exhaustive. I felt that it was good and I wanted to be part of the industry. I admired a government that was setting something up with standards. Those standards were second to none. I go and visit my father who had taxis in the UK. We leave them for dead, absolutely leave them for dead, in the way we transport our people with a disability. They have got the room. They have got the best airconditioners possible in those Toyota vehicles. You go to some other countries and see what they are delivering. We have a great service. It is up to us

to get that service back up to speed again and deliver it properly, as I know we can. In answer to your question, I would say that the vast majority will stay in the industry. That is not to say that circumstances will not change, whatever, but the vast majority will stay in the industry.

Hon SIMON O'BRIEN: The eligible operator group represented by Combined Taxis, Mr Davies and his family, has a group of vehicles and plates, as you know. Are they part of your group as well or supporters of your group?

Mr Gear: Yes, and I think to keep the continuity of the service we need them. I know a couple of taxi drivers, not owners, that cannot afford \$70 000 for a vehicle, so if we were to suddenly take those 15 taxis away, we would have one helluva hole to fill, we would. I do not think we could do it; I honestly do not, and the service would drop. We would put too much pressure on the operators.

CHAIR: I hope we have not held you up unduly and caused you to miss any jobs. Thank you very much for your evidence; we appreciate it. As I indicated to you before, you will be receiving the draft of the transcript. Please make any corrections to it. Instructions will be contained therein.

Hearing concluded at 12.26 pm
