

TAXI INDUSTRY

Motion

MS R. SAFFIOTI (West Swan) [4.01 pm]: I move —

That this house calls on the government to immediately provide certainty for the taxi industry in Western Australia, after it has turned its back on the industry for more than a year.

We could have used harsher language in our motion, but we want the government to act immediately to provide certainty for the taxi industry. We call on the government to support the industry. Over the past year, the government has allowed a very unfair situation to develop. Everyone can acknowledge that what has happened has been very unfair for taxi owners and taxidriviers in Western Australia. We do not believe this situation should be allowed to continue month after month, year after year, as it appears the government is allowing to happen. We need certainty for the industry as soon as possible. UberX came into the market over a year ago. We still have no idea what the government is planning to do, and there has been no action. The Minister for Transport has the resources of his department and the government, but we see no plan of action and no certainty for taxidriviers and taxi owners.

There are many myths about the taxi industry, but the people I have met are small business owners. They are working-class people who are trying to make a living, and they have been dealt a very bad hand by this government. We have seen mixed messages over the past year. The Western Australian Premier said that he would use Uber. He said —

“I’d have no hesitation in using Uber if I wish to, but I’d use normal taxis as well.”

I do not want to demonise any particular Uber driver, but we need a level playing field for the industry and for the drivers. The government and the minister have neglected their basic duty to administer the law and provide policy certainty for the industry. It has been over a year, and the taxi industry is hurting. Taxi owners and drivers are facing significant losses and major hardships. Some people approach me in support of Uber, but when I go through the facts about what is happening to the taxi industry, even people who support Uber acknowledge that what is happening to the taxi industry is unfair. We should not allow this dog-eat-dog attitude to prevail.

The Parliament and the government have a set of regulations and laws. This government has not sought to change those laws and regulations, but it has let a level of anarchy happen in the system. The taxi industry is highly regulated; I do not doubt that. Many people might talk about regulation and red tape, but if they want to change it, they should develop a plan. People should not be left with massive uncertainty for the future, and losses to their weekly income and their assets. This cannot be left to continue. I do not want to go through the history of taxi regulation, because I would go on for hours and hours. I place on record that the Liberal Party stopped reform a number of years ago and now complains about regulation. It has now created a huge amount of uncertainty. We call on the minister to provide some guidance and a plan for the future of the taxi industry in Western Australia.

I want to briefly outline what has happened particularly over the past year. As members will know, I have not been shadow Minister for Transport for all of the past year; I picked up the portfolio in late June or early July. As I have delved into this issue I have become increasingly aware of what has happened in the past year, and the government’s lack of action. The government has all the resources at its disposal, but it has basically failed to act and I do not understand why. The government is very hard on potato growers who do not comply with the regulations. If someone is growing too many potatoes, the government is quick to act; but it has allowed this level of chaos to reign in the taxi industry, and appears to be absolutely flat-footed on the issue. I will go through the history of the introduction of UberX. We have touched upon this in Parliament, but I want to place very clearly on record what happened with this issue. In August last year, the minister received a short note from his department. This is information the opposition obtained from emails through freedom of information. I will not quote anyone’s name; I will refer to ministerial staffers and departmental staffers. An email from a departmental staffer to the minister on 28 August 2014 states —

Uber has indicated that it intends to launch UberX in Perth Irrespective of the legalities.

The minister was alerted in August last year that an operation was about to commence. The email went on to state that UberX was likely to launch on or about 7 September but a specific date had not been provided. Later on the same day another email from Uber, or its lobbyist, referred to a meeting that was to be held in the minister’s office the next day. That meeting was held on 29 August in the minister’s Applecross electorate office between the Uber lobbyist, the Minister for Transport and some staffers. A couple of days after that meeting, the minister’s office received an email from Uber that stated —

Thanks to you and Dean for taking the time to meet with ... and me. It was a great conversation and we appreciate your interest in working together in the coming weeks on adopting a Transportation Ministry interim operating agreement ... for ridesharing.

It is clear that the minister was informed that UberX was about to begin operating, and it is also clear that the minister basically did nothing. The response from the minister's office to Uber stated —

Thank you for making the time to meet with the Minister on Friday last week. We understand how busy you and ... are and were grateful for the time.

Following the meeting, the Minister has asked the department to work on scenarios discussed on Friday and is meeting with the Department next week to review their findings.

It is clear that the minister was discussing with Uber its intended operating arrangements, even though the department told him that Uber intended to operate irrespective of illegalities. Between September and October, a number of emails, missed calls and other things happened as Uber tried to find out exactly what was happening. Things changed a bit on 3 October when the department obviously became aware that what was happening was a little bit beyond what was lawful. The minister or his office sent an email to Uber that stated that any person in WA using a vehicle to provide passenger carrying services must hold a proper licence under the Transport Co-ordination Act and have a proper extension. The email went on to state some of the issues with the proposed ride-sharing scheme. On 8 October, a proposed media statement from Uber was sent to the minister's office, and, of course, the launch happened a few days after that. The most interesting thing is an email from the minister to his office on 12 October 2014 after the launch of Uber—after it was on the front page of the paper—that stated —

We are going to have to do more than we are at present.

We would like to discuss tomorrow ...

In August, the minister was notified of Uber's impending arrangements. He basically tried to accommodate it, and then he started to become aware of what he faced. He was ill-prepared and ill-briefed on this issue.

Mr D.C. Nalder: That is an assumption based on —

Ms R. SAFFIOTI: The minister can stand up and provide an explanation of what he did about this. The minister has all the time in the world to provide an explanation of what he did and what he intends to do, because he is the minister! He has the resources of government. He has had a year to develop a policy on this, and all that he has done is refuse to provide any certainty to the industry. People are hurting.

Mr D.C. Nalder: I thought the green paper was to provide —

Ms R. SAFFIOTI: The green paper does not provide any certainty. The minister can stand up and tell us what his plan is because he has to provide some certainty today. People are facing significant hardship and the minister is not providing any certainty or any comfort to the drivers and owners in this state. He has an obligation to do that as their minister.

As I said, the government was aware and it has done pretty much nothing. I have not had this portfolio since August last year, but as I got more and more into the portfolio, I started to really understand how we are at this state and how we allowed this to happen. People can stand up and talk about what they think about regulation until the cows come home—I do not really care—but members have to admit that there are some laws and regulations out there. Why the government is ignoring them is sort of beyond my understanding. I do not like quoting extensively from newspapers, but I will do in a minute. There is no doubt that some people support UberX or ride sharing. They support the technology—I think we accept that—and in some cases they support the cost. However, I think people are starting to be a bit more aware of things such as surge pricing to really understand the costs. I want to touch on costs. If Uber does not pay tax or any regulatory costs and it is not being fined, of course it might be able to offer some cheaper fares sometimes. If it is not being taxed and does not have the same regulations, of course it will have some competitive advantage. Surge pricing is starting to make people very wary—and they should be. I have heard around the dinner table, "But sometimes Uber is cheaper." I sit there saying that it does not pay tax and is not regulated, so of course it is. When people actually understand what has happened here, and the more informed they are of this debate, the more wary they are and the more they understand the unfairness of what has happened out there.

As I said, I do not really want a general debate about levels of regulation in this state. I want to know a plan from the minister. How two taxi services can operate—one completely regulated and one completely unregulated—and how they can be let to continue for a year is beyond my comprehension of what a minister is responsible for.

[Interruption from the gallery.]

The SPEAKER: Visitors are quite at liberty to sit and listen to proceedings, but you are not allowed to clap, make a noise or shout out.

Ms R. SAFFIOTI: As I have said again and again, the more I have delved into this issue—I do not make rash judgements on these things, particularly complex areas of policy debate—the more I cannot understand how we are at this place. I really cannot understand it, especially from a party that is meant to and purports to support small business people in this state. As I said, I do not like quoting extensively from newspaper articles but I will quote Tom Percy from *The Sunday Times* from the past weekend. The article states —

THE State Government’s continued tolerance of the blatantly illegal Uber taxi service never ceases to amaze me. I have seen some curious things in terms of law enforcement (and non-enforcement) over the years, but the present situation with Uber is up there with the best of them.

...

When anyone producing anything from potatoes or eggs to iron ore is subject to a specific regulatory authority, why is it that Uber ... seen as requiring no official scrutiny?

I put the example to people that if I wanted to sell Panadol on the street in front of a chemist, would I be allowed to do that? I could probably sell them cheaper because I would not be paying rent and I could probably offer a free bottle of water, but would I be allowed to do it? Of course not. I would face lower costs but it would be bizarre to let me do so. Tom Percy’s article went on to state —

The process of becoming (and remaining) a licensed taxi driver is almost as difficult as obtaining (and retaining) a liquor license. One wonders how long an unlicensed organisation set up to brew and sell beer on the streets of Perth without a license might last? Probably about 10 minutes.

Again, a very, very good point is made. The minister may stand up and say that every state faces this issue, and they do, to a point. However, the level of action from other states has been different. I quote from the ABC News online on 29 September 2015 about a lawyer who is looking at this issue on behalf of taxidriviers in WA —

Their lawyer, Martin Bennett, said the Queensland Government had obtained about \$1.7 million in fines against Uber.

...

“Twenty-nine fines in the Perth Magistrates Court will be a matter of a pittance to Uber to pay this,”...

I do not want to demonise Uber drivers because I do not think they are driven by ulterior motives. They have been put in a dog-eat-dog situation of complete anarchy in which anything goes. I do not think that is a society we want.

I want to clear something up with the minister. In the chamber yesterday in response to a dorothy question, the minister stood up and made some quite outrageous comments about some of my comments about the reforms in the ACT. To set the context, John McGlue wanted to discuss the taxi industry issue last week, and the minister refused to go on his program. The minister, who has been minister for this issue for a bit longer than a year, refused to discuss this issue, so I went on the program. We talked about the ACT and I said —

... I’ve been going through it, it’s pretty interesting in attempting to create that level playing field. I suppose my initial response is, they’ve been pretty proactive on this issue and my response, in comparison to WA, is that where over a year since the Minister was told about Uber entering the market, and still there’s no certainty for the industry and I suspect people want certainty, they want to understand what the Government’s decisions are and I think this has been dragging on for a long time.

That is what I said. We may disagree about whether the ACT is proposing a real level playing field, and I agree; I do not think it is a real level playing field, but the point was that it is actually doing something. The minister has been responsible for over a year and has done nothing. The situation is deteriorating out there every week, and we have seen more brazen activity by Uber. I have met with Uber staff and one of its commitments they told me was that it does not use ranks. There is clear evidence that Uber is now setting up ranks at major events. A number of months ago, Uber set up a rank outside HBF Stadium. We raised that issue in this place. Only three weekends ago, the preliminary finals weekend at Domain Stadium—on Friday and Saturday nights, the biggest football weekend in the state’s history—Uber set up ranks. I know that the minister’s department was informed about that, and I want him to explain how that happened. It appears that people are just disregarding existing legislation. I want certainty; I do not want this issue to continue for another year. People are facing significant hardship—they are suffering. Real people, businesspeople and drivers, are suffering. I do not want people to stand up and tell me their latest experiences with taxis or Uber. I do not want personal experiences; I want some certainty for the industry, some certainty for real people who need to know what this government is doing. I cannot believe that we are in this place a year later, and the minister thinks that his job is finished with the release of a green paper. I just do not understand how the minister can believe that.

As I said, I have met a number of taxidriver, including a small business person who borrowed money to buy a plate at the beginning of last year for over \$300 000 to try to create a career in the taxi industry. Those taxidrivers are now left with complete uncertainty. The financial and emotional hardship for those people is very, very high. I cannot believe that the minister has got away with doing nothing for so long. Maybe it is the new environment we live in, but I do not know how we are in this place debating this issue a year later, and the minister is satisfied because he has a green paper out there. People also say that taxidrivers should take demand risk. It is been put to me, and I think it is a good example, that taxidrivers take some demand risk—a person who buys a plate assumes that people take taxis and that not everyone catches public transport; they make those assumptions—but I do not think they assume when they invest their money that someone will break the law and no-one will care about it. I think that is the key issue: people are prepared to take risks in their financial decisions, but they are known risks. I think we have seen a lot of risk that is not something that taxi owners should be completely responsible for.

Other things are happening. Uber is blatantly disregarding the government. At the moment it has a massive campaign to recruit drivers for the summer period. Again, taxidrivers who would expect to make more money in the summer period because people go out more face significant competition from a specific Uber recruitment drive happening right now. While all this is happening, taxidrivers are still being charged fees and penalised for not wearing collared shirts. The minister has let complete deregulation happen somewhere—everyone is out there providing a taxi service—but is heavy-handed in the regulation of the existing taxi industry. Members can see why people are so irritated. People are irritated because they are being fined and paying their fees, yet the minister has allowed a similar, but completely unregulated, service to operate.

Last night, I checked the Department of Transport's annual report for 2014–15. The report states that \$9.8 million was collected from taxi licence fees in 2014–15. The department is collecting \$9.8 million from a service, while it lets an unregulated service operate. I checked the taxi industry development account—remember, this account is there to support the taxi industry—and \$32 million is sitting in that account. Maybe I am being naive here, but I want to make this point: the minister has done nothing to educate the public about what is happening in the community. The Potato Marketing Board heavily advertises the benefits of homegrown potatoes. The minister has \$32 million sitting in an account that he could have put into a campaign outlining that taxis are regulated and have security cameras and all those things that the government imposes upon them, which other services do not have. The minister never did that. My view is that particularly early on, many people were not aware of the lack of regulation of this new service. I do not think people fully comprehended the insurance issues, the lack of security cameras and all those other issues. If the minister had educated the public, he might have been able to give people a more informed choice.

I want to mention briefly the Taxi Industry Board. The Taxi Industry Board has ceased to exist. On 18 November 2014, the question “Does the Taxi Industry Board still exist?” was asked in the upper house. The answer was, “No.” What was the Taxi Industry Board there for? It is a statutory body defined under section 8 of the Taxi Act 1994. Its objective was to provide a considered and singular view for consideration by the Minister for Transport, taking into account the views of all stakeholders within the industry and consumers of taxi services. The Taxi Industry Board's terms of reference were —

to advise at a strategic level on:

- Policies and plans for improving the taxi industry; and
- Proposals for grants for monies of the Taxi Industry Development Account.

...

- (c) To bring to the Minister's attention, issues which are gaining saliency, and warrant action, with consumers of taxi services and also with the taxi industry.

A board is meant to exist to help the minister formulate his policies and drive direction, but it is not constituted. The minister has created a dog-eat-dog world, and I do not think that is something that we, as a society, should promote. There are existing regulations and laws, but only the minister has the power to provide that future. That is the minister's basic responsibility.

I do not believe that a Labor minister would have been given a year to work this out. I do not believe that a minister in the previous government would have been able to sit there, knowing this was happening, but not do anything for a year and get away with it. The media would have been camping on the minister's front lawn. I do not want to go through the pros and cons of every aspect of the minister's green paper; I want to know what his plan is. The minister has been in the role for a year, but time and again we have seen that this minister, to be frank, does not take his job seriously. The minister may not understand what his responsibilities are, so I will tell him: they are to develop and maintain legislation in relation to his portfolios and also to act in a timely manner, particularly for the industries he is meant to represent. I heard a radio announcer and some other sources say that the minister does not

believe he will have a plan until early 2017. The minister is going to let the industry suffer for another 18 months. The minister is forcing the complete deregulation of the taxi industry by stealth. The minister is letting this issue drag on and on. I take taxidriviers' financial and emotional hardship very, very seriously.

Ultimately, people want governments to respond in a timely manner to the challenges presented to them. As I said, from my perspective, the government has not done that in getting across these issues. The choice is the minister's. He cannot let this situation continue for another 18 months. He must act now; he has to end the uncertainty. He must either deregulate and create a real level playing field and pay the compensation or adjustment that is necessary or make sure the taxi industry can operate as it has been. That is his choice. As I said, the government cannot ignore that, through its regulation, it has created value on taxi plates. How it deals with it is up to the government, but it cannot ignore it. The minister should have been developing a package for the existing taxi industry. He should have been having real roundtable discussions and creating that plan. The minister laughs quite a bit—I do not think it is on purpose—when members are on their feet making speeches about serious topics. It is not a good look, to tell him the truth. He has to take the issues seriously and step into taxidriviers' shoes for a minute and consider the hours they work and the conditions they operate under and that they need to make a living. They operate in an industry that the minister regulates and for which legislation is created in this place. It is his responsibility as the minister. It is no-one else's responsibility in this place; it is his. He should provide certainty by acting now and working with the taxi industry to develop a path forward that gives it a sustainable future. That is what we are calling on the Minister for Transport to do today.

MS M.M. QUIRK (Girrawheen) [4.31 pm]: There is no doubt this debate will be categorised by the government as a progressive reform-minded government versus the old-fashioned Luddites on this opposition side. Those agreeing with this motion will be seen as people who cannot embrace innovation, new technology or change. But this motion is much more fundamental than that—it is about equity, fairness and greater certainty. It is about ensuring a level playing field and that everyone has a fair go. It is not about a highly regulated taxi industry versus the legally ambiguous Uber. It should not be categorised as vested interests versus consumers. Ultimately, we all want improved services. Ultimately, it is about improved competition from which all consumers will benefit. Ultimately, it is about transitioning the highly over-regulated industry to a more flexible system.

This motion is about a process for how these objectives can be achieved. We say that the end does not justify the means. We say that we should not reward law-breakers while holding others to standards that limit their capacity to compete on a level footing. We say that the government has moved with glacial speed and a level of inertia that is certainly causing hardship for many within the industry. We on this side of the house are ready to work with the government on a reform process that will adopt new technologies, deliver a more responsive customer service, provide a safer working environment for drivers and provide a fair return for drivers so that we can attract and maintain the best in the industry. But it is said the reform process must proceed on the basis that we need to ensure safe vehicles and safe drivers. The clear implication from that is that it does not presently exist. I certainly contest the premise found throughout the green paper, to which I will give its proper title and hereafter refer to as the green paper—"On-demand Transport: A discussion paper for future innovation". The first thing I will say is that the whole premise of that paper is based on the fact that the existing taxi industry is unsafe and vehicles are unsafe. In this regard, it is interesting that on page 15 the green paper notes that for about the last five years, the level of complaints has been relatively static, neither increasing nor decreasing, at about 490 a year. I think it is part of Australian sport to complain or to have a bit of a bitch about taxi rides, but I think that number of complaints compared with the number of rides, in an increasing population, reflects well on the industry. As I said, this motion is about the need for certainty in the industry and that prevarication and delay is severely damaging the existing industry and bringing it to its knees.

The member for West Swan has given the analogy of selling Panadol tablets outside a chemist shop. That is how the current system operates. One area of industry is highly regulated and bound up in red tape, and the other seems to be pretty well given a green light to proceed without having to comply with many laws at all, under very weak enforcement. We have heard, for example, the analogy of permitting bootleggers to trade with impunity in competition with the highly regulated liquor industry. I am sure Bradley Woods would have something to say about that. Maybe if we allowed the open sale of chop-chop tobacco, the highly regulated tobacco industry might have something to say about it. I thought of another analogy, which probably shows my feminist credentials. A husband has a mid-life crisis and ditches his middle-aged wife, who has brought up his children, created the household and worked hard to support him in his career, and is passed over for a younger, more glamorous flashy girlfriend and he probably buys her a red sports car to boot.

Mr M. McGowan: What's the analogy you're talking about?

Ms M.M. QUIRK: The analogy, Leader of the Opposition, is that just because something is new, up to date and superficially exciting does not mean that loyal service should be disregarded. Similarly, it does not mean that in the long term it is the best option available. I think loyalty and long service deserves some recognition.

The member for West Swan also noted that the Liberal Party has been sending mixed messages. It gave no indication in its 2013 election policy of wanting to go down this path of deregulation so rapidly. In fact, if the minister recalls, we debated for some days in this chamber amendments that the former Minister for Transport brought in to the Taxi Act. In fact, if that former minister had been a greater supporter of taxis, he may well still be in this chamber. We spent days in this place debating and putting in more laws to control the taxi industry. What message does that send to the taxi industry when now, two years later, the minister is saying, “These laws don’t matter; people can operate without having any regard to them whatsoever”? The clear implication from those amendments and the pre-election policy was that the Liberal government wanted to maintain a reasonably highly regulated taxi industry. In a press release on bringing in that legislation in 2013, Minister Buswell stated —

The Bill is the next step in the Liberal National Government’s Taxi Action Plan, which aims to improve safety, standards and restore confidence in the taxi industry ...

Further along in his press release, he said —

“When I was appointed Minister for Transport, the strongest message I received from taxi drivers was that they wanted a system where ‘bad apple’ drivers could be removed from the industry.

...

“The Bill will bring about major reform of the industry by developing a ... framework for the regulation and licensing standards of WA’s 10,000 taxi drivers ...

The bill included such things as a taxi driver code of conduct. In fact, the minister concluded his press release by saying —

While I believe there are only a small number of taxi drivers who are below a standard that is acceptable to the public, this system will help to improve behaviour and enhance security for passengers and support the vast majority of hard-working taxi drivers ...

That was the message given out about two years ago. Now those people, small businesses and mum-and-dad investors, who paid \$300 000 for their licence plate 18 months to two years ago at about the time Minister Buswell was making these remarks that clearly implied an ongoing, viable future for the taxi industry, are now seeing the value of those plates significantly reduced. The inertia by the government is causing greater uncertainty and a greater reduction in the value of those plates.

In *The Australian Financial Review* of 3 October this year, Ben Potter, in his article “Taxis take big hit from Uber”, noted —

The value of capital city taxi licence plates has fallen more than \$600 million since January under the onslaught from competitive ride-sharing services such as Uber.

The article then lists the performance of the industry in Melbourne, Brisbane and Sydney. It continues —

Blair Davies, chief executive of the Australian Taxi Industry Association, accused the San Francisco-based Uber—valued at \$US51 billion in July—of bullying governments to get its way.

The article goes on —

Taxi licence values in other capital cities have also fallen ... the best gauge of Uber’s impact.

The economies of these cities have not been flattened by the mining boom collapse—unlike Perth and Brisbane.

Price falls in Melbourne taxi plates this year also cannot be blamed on the 2014 deregulation of the Victorian taxi industry. Melbourne plates have fallen from about \$500,000 in 2010—for a combined loss of nearly \$1 billion—thanks mostly to the deregulation, ...

Brisbane taxi plate values have similarly fallen. It continues —

Perth cabbie Daniel Niklas paid \$338,000 for his plates 18 months ago and claims to have lost a fifth of his business to UberX. Mr Niklas wants the state government to compensate him.

That is the kind of quantum of losses, and certainly I have had constituents say that the going rate now is about \$100 000 and they paid \$300 000. It is really important to note that nowhere in the 56 pages of the green paper does it mention or canvass the issue of compensation. The word “compensation” is not used. There are a couple of quotes that skirt around the issue. Page 3 states —

While it is recognised that taxi plate investors have purchased plates in good faith, the economic value of a business should be based on a superior customer proposition rather than the scarcity of supply or government regulation.

I will come back to the issue of good faith shortly. The executive summary states —

This model also gives existing owners and lessees of taxi plates certainty by continuing to recognise existing arrangements.

It is suggested that that will be done as follows —

To ensure that owners of taxi plates are not burdened with additional fees on top of the purchase cost of their plate, it is proposed that plate owners not be subject to any ongoing fees or charges, or that these fees be waived for an extended period (i.e. 15–20 years). The key benefit of this is the reduction in cost to industry, allowing industry to provide higher quality services at a lower cost.

Then it goes on at page 10 to refer to reform philosophy, the key principles being —

1. Industry should be free to innovate in a safe and secure manner to provide the transport services consumers want.
2. The regulatory environment should be focussed on ensuring that:
 - a. drivers and vehicles providing on-demand services are safe; and
 - b. people and organisations enabling and providing on-demand transport services are accountable for those services.
3. The on-demand transport industry should be safe and accountable.

Finally and very importantly —

4. There should be a level playing field for all providers of on-demand transport.

I make the point that if in the minister's former role as a bank manager someone went into his office today and asked to borrow \$300 000 for a taxi plate, I know the answer they would get. The inaction of the government along with other matters that have happened has certainly contributed to the devaluation of the plates and the significant loss of assets to small businesses and families. It is a good measure to ask: would the minister lend that money if someone came to see him today to purchase a plate? Of course the answer would be no.

We say that if there were real plans for changes, the government should not have continued to allow the sale of plates at that price; and by virtue of the fact that it has, and I think engaged in misleading, deceptive conduct, it should not now be able to say that it is not required to produce some compensation.

Mr Speaker, I am finding it a bit difficult to concentrate. About six discussions are going on at the moment.

The SPEAKER: Member for Wanneroo, settle down! Member for Geraldton, again, settle down! Member for Kingsley, settle down, just out of abundant caution!

Ms M.M. QUIRK: Thank you very much.

Mr P.T. Miles: The member for Girrawheen is called!

Ms M.M. QUIRK: The member for Wanneroo can leave the chamber. I am just trying to concentrate on a serious issue.

The SPEAKER: Okay, thank you, member for Girrawheen. Okay, we are carrying on. Let us go, member for Girrawheen.

Ms M.M. QUIRK: Selling these plates, at a time when there were plans afoot to deregulate or change the whole playing field, was engaging in what I think is misleading and deceptive conduct, and the government just cannot walk away from that now without giving drivers some level of compensation. Also, the minister might be able to advise us, when he is responding to the motion, whether any figure has been calculated by his agency on the level of compensation that might be costed; and if it has been costed, is this why in the green paper the government is resisting that compensation should be an option?

The suggestion that I have read out and quoted from the green paper that waiving fees for 15 to 20 years would be compensation for existing licence holders is just not viable. Some people who purchased these plates may well not want to remain in the industry and work for the next 20 years.

[Member's time extended.]

Ms M.M. QUIRK: As the member for West Swan said, this is not an isolated phenomenon to Western Australia. Interstate and around the world governments are grappling with how to handle Uber.

It is very challenging. I said at the beginning of my speech that it was not about Uber versus the existing taxi industry, but I think it is important to talk about the Uber model, because we are seeing a system that operates

completely outside of the legal framework and therefore, frankly, what we do in this place is a waste of time. If we spent a week debating taxi laws, and the government then said that they can be ignored or failed to enforce them, we all probably would have had better things to do with our time.

In an article in *The Conversation* in August this year entitled “Uber vs regulators: the heavyweight bout of 2015”, some really interesting issues are raised. The authors Sarah Kaine and Emmanuel Josserand note —

Ride sharing, both the legal and “illegal” type is growing rapidly around the world, with new Australian entrant RideBoom the latest to take on market leader Uber.

Uber, which began in San Francisco in 2009, now operates in more than 50 countries with 300,000+ driver-partners ... in the US alone. In Australia it’s moving towards 20,000 driver-partners.

The difference between Uber and many of its competitors though, is that most of Uber’s direct competitors operate within the legal confines of the countries they’re in. Uber on the other hand, is paying for its drivers to ignore local laws.

Uber is in a global fight to win a regulatory environment favourable to its business model. This fight largely relies on ambiguity on how Uber should be defined as a company. Uber steadfastly denies any suggestion it is a service provider, insisting instead that it’s a “technology company” ... “seamlessly connecting riders to drivers”.

Uber maintains that its driver-partners are not employees. This has been, and continues to be, challenged in the courts and on the streets.

Uber also wants to manipulate regulation that extends well beyond labour law, in order to boost its competitive advantage. The impact is being felt by non-Uber taxi drivers, prompting street protests everywhere from Paris to Mumbai; London to Mexico city.

...

Multiple legal challenges and ongoing penalties are costly but do not seem to be a deterrent to Uber, a company valued at over US\$50 billion and backed by the likes of investment bank Goldman Sachs. Uber is not pulling punches in its attempt to fashion the regulatory landscape, influence public opinion and policymakers.

They go on to state —

Uber seems to have made a strategic decision to take the legal hits associated with flouting local regulations, with the view that this is unlikely to land a knockout blow. But the business will need to be able to survive a succession of assaults from regulatory bodies and individuals, sometimes in the form of class actions.

Using contractors while playing with regulatory frameworks and uncertain judicial responses is a high-risk strategy ...

... if Uber were to see a significant proportion of its partner-drivers reclassified as employees, or face a government crackdown on its aggressive tax minimisation practices, it could come under pressure at a time of escalating losses because of its determined expansion efforts.

I read that out at length because the minister needs to know that this is not just some bumbling business that has been ignorant of the laws. This is a concerted worldwide strategy to force governments to roll over. It is prepared to flout the law and bear the costs and penalties associated with the legal actions from flouting the law. The government has to take strong and decisive measures to meet these challenges.

That leads me to my final point and that is about the area of competition generally. There has been some criticism in recent times that successive governments have gone quiet on competition law and enforcing changes and reforms in ensuring greater competition. There is some criticism that industries have wanted to maintain protective practices to give them a competitive advantage. There is an interesting recent article in *The Australian* that refers to the links between restructuring and reforming industries and the need for some compensation. In conclusion, I will briefly quote from it —

The people who own the networks to which all cabs must belong make money, people who fit out and insure cabs make money, people who own Cabcharge make money. The guys who drive the cabs make about \$11 an hour, which is less than the minimum wage. The reason a taxi ride is expensive for customers but still barely enough for drivers to live on is because the government sets a made-up price for the taxi licence. In NSW it’s about \$400,000, in Victoria \$250,000 and in Queensland \$500,000. Which means the first \$50,000 a cab earns every year simply covers the cost of the piece of paper. The licence fee is set high to restrict competition. This is justified by the need to protect the incomes of

people in the industry. But people in the industry are not taking much home because the cost of servicing the licence is high. Yes, it's that circular. For those who already own their licence the high fees protect the capital value of their asset. But unlike, say, a factory or a farm, the principle asset in a taxi business is just a piece of paper made valuable by government.

National competition policy was supposed to address this. Competition policy had two main purposes: to provide cheaper goods and services to consumers; and to encourage businesses to become more competitive so that they could thrive in a modern economy ...

The industry may see off Uber with lawsuits or lobbying but it or something like it will eventually take off. Too many customers want something better and the government is running out of excuses not to let them have it.

The losers will be those who invested in taxi licences believing it would buy them a job for life, people who thought something the government priced at half a million dollars must actually be valuable.

National competition policy was premised on some compensation for the affected industries. Dairy farmers, for instance, went through a rough period of adjustment with some help to restructure.

I conclude by saying that the minister can by all means proceed with his reforms, once they are clear and once he has articulated his clear position, but in doing so, he should cut out the neo-con rhetoric, provide more certainty for small family-run businesses and give those who have provided the community with a public service over the years fair consideration and give those who have purchased licences in recent times adequate compensation.

MR M. McGOWAN (Rockingham — Leader of the Opposition) [4.58 pm]: I could not possibly hope to match the contributions of the members for West Swan or Girrawheen. They have gone through the arguments very comprehensively. But I want to make some overarching remarks in this debate. First of all, the motion moved by the member for West Swan calls for the government to provide certainty. I think that is a fair point. The other point I might have heard both speakers make is that governments sometimes have to place themselves in the shoes of the people who are affected. We have seen it with what is happening with the traders at Barrack Square at Elizabeth Quay and we are seeing it with the taxi industry. I think it is a lack of empathy for people and the circumstances in which they find themselves. I understand that this is a difficult issue to grapple with. Technology has arrived that five or 10 years ago we might not have imagined would come along and has changed the playing field in a significant industry in the state.

I understand that technology does come along. For instance, newspapers were once described as rivers of gold because of the classifieds. I remember the *Quokka*. Remember the *Quokka* a few years ago? The *Quokka* was a publication that was highly sought after and it was often seen at service stations—everywhere. Everyone was reading the *Quokka*. I do not see the *Quokka* so much anymore, but my wife talks about Gumtree—what is on Gumtree here and there—and people talk about eBay. Technology changes—things do change; I understand that. I know it sometimes makes things difficult to grapple with, but we are dealing with a large group of Western Australians, and I think the difference between the case of the *Quokka* and newspaper classifieds and Uber and the taxi industry is this: the taxi industry has been regulated by the government, and the government was responsible for the provision of taxi plates for which people paid good consideration. If people paid good consideration, I am advised the good consideration was paid to the government; quite often the plates were bought from the government. Many have been unsold, but many plates still existing were purchased directly from the government. There was not just an expectation; virtually a contractual relationship was established. It was not just an understanding. In some ways I suppose it is similar to a state agreement act. It is an arrangement, an agreement, between the purchasers of the plates and the government that this is the system that would continue because money was paid for the plates. That changes everything. That changes things compared with the situation of the *Quokka* versus Gumtree, because the licence to print the *Quokka* was not purchased from the government; it is a different situation being faced here. I think it is very important to provide some empathy and understanding to the people in this situation.

The other thing that bears on this is not just the certainty argument, but the fairness argument. People have to be treated fairly. I can imagine that in the United States, governments would not care much. I would appreciate it if the minister would listen. Governments over there would not care much. Here in this country I think we have had a long history of governments caring about citizens and what happens to them. We need some fairness and sensitivity in the debate, and I think we need some certainty from government towards people in the taxi industry. I have heard of the cases and I have in fact met some taxi plate owners. They have often arrived from overseas and spent their life savings—their family's life savings—on buying these plates. They work the long hours; they work at night. It is not an easy job. Can people imagine picking up people on Friday nights in Northbridge? It would not be very easy at times; it would not be very pleasant. It is not an easy life, not an easy lot, but they work hard. As I said, these people are often from migrant communities and are making a start in life

to support their families to make sure they can provide support in particular for their children to get a good education. Therefore, these people need to be treated fairly by government. These plates are bought, with individuals spending their life savings, on the basis of government laws providing that there will be a regulated market. When there are all these requirements on taxidriver and plate owners—character tests, security tests, car tests, ongoing fees and licence payments—and they pay taxes, and another group that does not do any of those things arrives in the marketplace, can people understand why they might be a bit upset and might want a bit of certainty and fairness to prevail? That is what we need here. I have not seen any of that. I have heard the Premier say that he thinks Uber is great. I have heard the minister, to his credit, say some supportive words towards the taxi industry. Then I have heard other people in government say—I think it was the minister—that the government is cracking down on Uber. Yet I see flashing signs outside football games, saying “Uber line” or something—there is the line to get into an Uber car. I do not know where the crackdown is happening, because I discovered that and I am not exactly a detective. All this is going on and that is why we have raised this issue in the Parliament tonight. Perhaps this is an opportunity for the minister to provide a bit of certainty and direction about when there will be a timetable on how to deal with this issue. I understand it is difficult, but I think the level playing field would be a good start so there are similar rules for both. If there are rules for taxi operators in relation to character, security, fees, licences and taxes, they should be the same for whoever is involved in the industry, not one rule for some and a different rule for others.

The second point is this compensation argument. That is difficult because, as members know, of the state’s finances. The government has blown out debt by 800 per cent or thereabouts, it is running the first deficits in 15 years and it has lost the AAA credit rating. Therefore, I understand it is difficult for the government to deal with this because of events that it has caused, but I think the government needs to work on providing some compensation, particularly for people who purchased the plates from the government or for the owner-operators. The government needs to work on some innovative funding models for that. Resolving this sooner rather than later is important. I know people always say that they want to be bipartisan, but I think resolving this issue is important for these people, and giving them some certainty and fairness quickly would be good. It might be an election issue in 18 months’ time, but a lot of these people might have lost their houses by then, and I would hate to see that.

I said I would be relatively brief, but I make a plea that this is different from many other industries because of the circumstances in which people bought the plates. People will make analogies with other industries, no doubt, and say that people in various industries were not compensated. Some people might even make analogies with the old liquor reform debate that I was responsible for eight years ago, but I remind them of this: the liquor industry is still regulated. Everyone selling liquor is still regulated. It is not as though backyard dealers are out there selling liquor without a licence and undercutting the people who are paying taxes and have obtained a licence—no, it is still all regulated. This is a case in which one section of an industry is unregulated and another section is, and one is disadvantaged because of the lack of a level playing field. I think that needs to be fixed as a very first step in this debate. If the government comes up with some answers on that, we will be very keen to work with it to resolve the issue.

MR D.C. NALDER (Alfred Cove — Minister for Transport) [5.08 pm]: I stand in response to the motion. I would like to spend a bit of time just talking about what we have been doing and what we are trying to achieve. I acknowledge the problem that has been created through the introduction of Uber. I say on the record that I personally have never caught Uber and I am unlikely to ever do so. I say that because I have been extremely disappointed in the values of the organisation and I have a lack of trust in its proposition to the broader community. We face a situation that is now faced by over 50 jurisdictions around the world, and Uber is in every state in Australia. As part of this introduction, I spent time looking at other jurisdictions to see how they are tackling this issue. We have had to move very carefully. I will share a couple of the points that were raised. To date we have charged 29 drivers and operators of Uber vehicles, and I understand that proceedings will commence next month. We have been watching what has been happening around the country. Recently there were claims that New South Wales was acting more aggressively in this space. However, the advice that I received this week was that its first lot of cases were thrown out of court. We have been working to make sure that if we are to push into this space, we have a case that can stand up, and that our claims and cases are valid.

In response to the member for Girraween in particular, I can say that this government, in its two terms, has not sold a taxi licence into the marketplace. They are all leased now from the government. Roughly 50 per cent of the licences in the taxi market are leased.

Ms R. Saffioti: It was changed by Alannah MacTiernan.

Mr D.C. NALDER: I believe that the last lot were sold when Alannah was minister, and the shift was made to leasehold. Now, 50 per cent of the plates are leased. It has been some time since licences were sold into the marketplace by the government. I acknowledge what the recent values were.

I have looked at what other jurisdictions are doing. A lot of people are long on admiring the problem, but there are very few solutions. We have tried to segment the industry to really understand it, and to try to find a way

forward. That is the purpose of the green paper. Submissions for the green paper actually close this Friday evening. We have received over 600 submissions to date—over 590 online. It is obviously of widespread interest to the broader community, not just drivers and operators. We are working through those submissions to provide recommendations on how to move forward as quickly as possible. We see creating a level playing field as being of paramount importance to the industry. We also understand the issue of property rights of people who have purchased licences in good faith. We want to create a sustainable industry that people can succeed in.

Looking at the industry today, although Uber has created a headache by bringing in its application, I want to make it clear that Uber itself is just another dispatch service. It sometimes gets dressed up as a lot more than what it is. Segmenting the taxi industry, if we exclude the customer, there are four levels within the industry—the dispatch, the licence, the operator of vehicles and the drivers. Some of those can be the same people. Sometimes the drivers own their own licences, but it can be segmented right up. The issues that we see within the industry, particularly for drivers and operators of vehicles, go beyond what Uber has introduced. I say this because, talking about what drivers would earn hourly, I would suggest that the community has been looking at the delivery of services by the taxi industry, and for too long too much has been pulled out by the licence and by the dispatch, and too little has flowed through to the operators and drivers of the vehicles. Irrespective of whether Uber came about, this is a fundamental issue within the industry that ultimately reflects on the quality of the service that flows through to the customer. In examining this problem I have been looking at how the taxi industry, particularly the licences and the dispatch, have charged drivers and operators to provide a licence and information. Looking at Uber as purely a dispatch service, I cannot see why taxidrivers should not have access to Uber as a dispatch service.

I am very keen to ensure that we create a level playing field, but I also want to highlight this point: Uber has two services in Western Australia, and I believe they have more in other jurisdictions. There is Uber Black and UberX. Technically, Uber Black, in the majority of cases, is not breaking the law. As long as the drivers charge a minimum of \$60, they are not breaking the law, but the licence fee is only a few hundred dollars. Compare that with a taxi that pays thousands of dollars, including \$13 000 for a licence from the government, and I believe that they go up to \$18 000 for a private licence on a per annum basis. Catching an Uber Black car from West Perth to the airport will cost \$85 or \$90, depending on the time of day. They are not breaking the law by utilising the small charter vehicles that are accessing Uber Black. I believe that it is an uneven playing field even though they are not breaking the law, and I believe that we need to attend to it.

I have looked around the world and around Australia, and I have not found anyone who has come up with a reasonable solution, and therefore it is incumbent on us to break this down into all the elements and try to understand where we are at today and how we move forward. I do not think that we can sit and admire the problem. There has been a huge amount of consultation. I have had various meetings with taxidrivers and vehicle operators. I have met with Uber, Swan Taxis and Black and White Cabs. I have met with a lot of players, and I have had players from around the world who want to enter the market as dispatch services. I have been very keen to support opening up access to alternative dispatch for taxidrivers from the outset.

I am very keen to see what we can do. The green paper is based on a lot of consultation with industry. It is not something that only the department or I thought up. There have been countless meetings working through the issues with the industry trying to find a way forward. Nothing will be perfect. We want to do a couple of things: understand those four layers and open up the market. I believe that taxidrivers should pay only a transactional fee for dispatch, and therefore have the flexibility to get access to dispatch from whoever wishes to provide it. That is one element that I am very keen to see.

The other element I am keen to deal with is the whole licensing issue. There is no question that it is a challenge. I acknowledge the funds sitting there in the Department of Transport, and we are considering how they may be able to support the changes in the industry. I question the value that a licence is ultimately providing in the long term for the industry, but I acknowledge the property rights of the small businesses that have bought those licences. If the industry is valued at X today, we assume that into the future it will be valued at X, but we know that licences take a chunk out of that industry. I question the long-term value that they are adding to the industry, and therefore I see an environment in which we do not have licences within the industry. However, we are not going to be able to move from one spot to another in a very short time. We have to work out a transitional program to move the industry into that space. There are a couple of ways of doing that. Over time, we protect the licence and allow expansion within the industry only by licence holders. Those who succeed as a superior customer proposition can grow their businesses without allowing others to into the market for a period. Ultimately, we dilute the value of an individual licence by giving access to more, but over time the market will be opened up for anybody to come in. Those businesses that provide a superior customer service should ultimately be the businesses that succeed. To date, the value of a taxi business, or a taxi licence, has been based on scarcity of supply and government regulation.

That is the wrong basis on which to provide a valuation of a business. The valuation of any business should be based on the quality of the customer proposition and those who provide a superior service. I know taxidrivrs who provide a fantastic service. Their cars are spotless, they dress neatly and they present really well, and they should be recognised and rewarded. But today they are not, because all taxidrivrs are lumped in the one group. It takes only one bad apple to reflect on everyone. I believe that we need to be able to differentiate between the level of services provided within the taxi industry and that there should be flexibility for taxidrivrs and operators to form cooperatives or corporate relationships whereby they can identify or create a brand name that will be recognised so that those who provide superior service are rewarded.

I question the volume of taxis that Western Australia can sustain. It is interesting that to date in WA there are roughly 2 000 taxi plates, 1 000 of which are owned privately and 1 000 of which are leased from the government. In Singapore, although it has a much larger tourism population, there are around 29 000 plates or 29 000 taxis for a population of five million. I wonder whether we can find the right solution and whether we can increase the demand for taxis. Currently \$13 000 a year is charged for government-owned licences. I would like those charges to come right down and for there to be a fee structure that is closer to that which small charter vehicles pay. It may be a bit more—that is something that the department has to work through—but I would like those charges to substantially decrease. That will have an impact on the value of licences and property rights, so it will not be easy to work through that. However, by doing so, we could, ultimately, on a quid-pro-quo basis make taxi fares cheaper by reducing government charges or, alternatively, there could be more return to the operator of the vehicle and the driver. That is something I would like to see happen.

A number of things are being worked through right now. We have not waited for the green paper to be finalised. On the day we opened the green paper 12 weeks ago, I instructed the department to work on each submission as they were received so that when we get to the end we can formulate recommendations that can be put to cabinet as quickly as possible.

Ms R. Saffioti: What is your time frame, minister?

Mr D.C. NALDER: I have not put a time frame on it at this point, but I have a desire to provide a solution to cabinet as quickly as possible. I am waiting on the recommendations of my department on that aspect, so I will not be tied to a date, other than I know that the clock is ticking. I am very aware that the clock is ticking and I want to provide solutions and certainty in the marketplace as quickly as possible.

Ms R. Saffioti: So do you have an approximate time frame, like by Christmas?

Mr D.C. NALDER: I would like to be in a position by Christmas to be able to provide something to cabinet, but I do not want to be locked into a time frame at this point in time until the department has gone through the submissions. There are still a few days left and submissions are still coming in, so I want the department to work through them. I will say that we understand the issue and agree with the matters that the member for West Swan raised today; however, we are working through this very carefully to make sure that we do it properly from the outset. We want to create a level playing field. We want to allow competition into the marketplace, but based on a level playing field. We want drivers and operators to succeed and we want a much larger marketplace in Western Australia.

In saying that, three things will need to be achieved. Firstly, some simple changes will need to be made; secondly, some regulatory changes will need to be made; and, thirdly, legislative changes will potentially need to be made. We still recognise the importance of a regulatory environment as we move forward, and that will need to be strengthened, because we want everybody to be a part of that. In fact, we will insist that everybody will be a part of it because we recognise the importance of protecting the consumer and protecting the driver. We want to make sure that the consumers and the drivers that operate taxis in the Western Australian marketplace are safe.

I acknowledge and apologise for the length of time the consultation process is taking, but we have not found an appropriate solution anywhere else in the world or in Australia that we could piggyback off. We have had to go out, ensure it and create it ourselves. The Tasmanian government has acknowledged that it is adopting our green paper because it believes it contains ideas for the way forward. We have seen the action Canberra has taken, and although its system contains elements similar to those suggested in the green paper, we do not think that they have gone far enough on the basis that the cost of a taxi is still 50 times more than that of a ride share, and to me that is still not a level playing field.

These are elements that we see in this industry. As I said, we are still going down a path of processing or prosecuting those whom we can identify who have broken the law. We are ensuring that those cases are rock solid, because similar cases in other jurisdictions have been kicked out of court and we do not want to waste the court's time or the government's time pursuing matters that will ultimately serve no purpose other than make it look as though we are trying to do something. We are operating so that there will be some degree of success when filing prosecutions. There are 29 cases and I have received advice that those prosecutions will start next month.

As I said, this is a wider issue for the industry than just Uber. We know that there are other players that want to come into the marketplace, based on their technology. We must have a structured environment to allow for competition in the marketplace, but on the basis that it is an equal and fair playing field, so there is a need to create that level playing field as quickly as possible.

Ms R. Saffioti: Do you see compensation as part of that level playing field?

Mr D.C. NALDER: I think the Premier has been clear on this matter and, therefore, I do not wish to comment, and I am not going to engage in a debate on that.

We are working through this matter. For those people who have not made a submission to date, I inform them that submissions close this Friday night. I encourage as many people as possible to participate in that submission process. The department will endeavour to work through those submissions in record time so that the appropriate recommendations are forwarded to me and I will feel comfortable to take them to cabinet. Until I have those recommendations from the department—I will be keeping an eye on it—I will endeavour to do that as quickly as possible. We have someone else on our side who would like to contribute to this debate.

Mr P. Papalia interjected.

The ACTING SPEAKER (Ms J.M. Freeman): Member for Warnbro, you are on three calls.

Mr D.C. NALDER: I am not going to grandstand and try to pretend that I have something that I do not have. I need to now wait for the recommendations. People have the opportunity to make submissions. We are looking for ways to allow for the transition of this business and for everybody who participates in it to succeed.

MR P. ABETZ (Southern River) [5.28 pm]: I take a great interest in the taxi industry. I have many taxidriv­ers living in my electorate, and I see some of them in the public gallery here for this debate. I would like to draw attention to the motion moved, which states —

That this house calls on the government to immediately provide certainty for the taxi industry in Western Australia, after it has turned its back on the industry for more than a year.

I wonder where the opposition has been when it states that the government has turned its back on the industry for more than a year. I would have thought that it would be well aware of the green paper and that the government has acted and has called for submissions, and that all of that has been worked through. For those taxidriv­ers who have come to me recently about this issue, I have encouraged them to make submissions. However, I would like to refer to the time before Uber came into the picture. When I was elected in 2008, numerous taxidriv­ers came to see me about issues in the industry. The taxi industry has had issues for a long, long time. When I was first elected, one of the big issues that drivers came to me about was the lack of despatch services provided by Swan Taxis. The kinds of complaints I received, for example, were about taxidriv­ers accepting calls and going to jobs but not being able to find their customers. When they would ring Swan Taxis and ask them to call people to find out where they were, Swan Taxis would not act. In other words, a dissatisfied customer was not found and a taxidriver who had taken the trouble of driving there to pick up a job could not locate the person, so there was a dissatisfied taxidriver and a dissatisfied customer. That certainly does nothing for the industry.

The taxi industry had a credibility issue during the time of the boom when people would book taxis the night before. I use the example of my own son who still works for Rio Tinto and did a certain amount of fly in, fly out work. We lived in Kingsley at the time and he would book a taxi the night before to be picked up at 4.30 in the morning, or whatever time it was. Swan Taxis does not guarantee that a person will get picked up. In fact, it only put the job out about 15 minutes before the time that he was due to be picked up. On a number of occasions, he would knock on our bedroom door and say, “Hey Dad, the taxi hasn’t come”, and I would jump into the car in my pyjamas and we would drive down the freeway to get there just in time for his plane. That was a problem. Taxidriv­ers told me that if Swan Taxis would put those jobs out the night before, a taxidriver living in Kingsley would say, “Hey, there’s a job that I can start at 4 o’clock in the morning. It’s just around the corner from home. I’ll lock into that the night before; I will set my alarm and make that my first job for the day because a job from Kingsley to the airport is a good job and is definitely worth getting up for!”

Mr P. Papalia: Do you not think they are confronted with more pressing matters right now?

Mr P. ABETZ: At the moment, I want to give a little bit of background. I will move on to other things in a moment.

Then there was the global financial crisis and, long before Uber came in, taxidriv­ers were doing it tough. The demand for taxi services dropped off very significantly and that, of course, put a lot of financial pressure on the taxi owners and drivers, whether they were owners or leased plates, or were simply driving for an owner of a taxi and taxi plates. The quality of the dispatch service is also a real issue. That is where there is room for very significant improvement. One of the things that taxidriv­ers put to me back then that I think is still worth looking at is that the dispatch service is not allowed to simply charge \$120 a week for drivers to have access to that

dispatch service. I hope that is one of the considerations that will be dealt with by the Department of Transport when dealing with the green paper submissions. It can actually only charge on a fee-for-service basis. In other words, the dispatch service gets paid only for the jobs that it gives to taxidriver. Taxidriver pay for them. For example, a taxidriver in my area has a wheelchair taxi van —

Mr P. Papalia: Does he own the plates?

Mr P. ABETZ: He leases the plates. He is such a lovely guy who has built up such a clientele that he does only wheelchair jobs, basically. He told me that he gives his clients his business card with his mobile phone number on it and he rarely takes more than one job off the dispatch network per week.

Mr P. Papalia interjected.

Mr P. ABETZ: I will come to that later.

People ring him and he books his week full with a lot of repeat work. He only occasionally takes one or so jobs off the dispatch network, yet that costs him \$120 a week to be on that dispatch network, which he is required to be on. There is certainly scope for very significant reform that would help to reduce the costs to taxidriver and improve the quality of the service that drivers are able to provide. Long before Uber came onto the picture, I had meetings in my office with taxidriver. I met with them some years ago when Barry McKinnon was chairman of the Taxi Industry Board, I think it was called. Since then, I have had meetings in my office with other drivers and I think I have a reasonable understanding of the taxi industry. I certainly value being able to read the green paper as well and discussing it with various people in the industry.

The difficulty we have at the moment is that Uber has brought more pressure into an already depressed taxi market. Nobody really knows what percentage of the market it has taken—some people talk about 20 per cent and others a higher figure. I have no idea whether anybody really knows or it is simply guesswork. There is no question that Uber has further depressed the demand for taxi services and that, obviously, is a real concern to taxidriver. That is understandable. A taxidriver recently came to see me—he does not own plates; he drives for somebody who owns or leases the taxi—and he told me that he is required to pay the taxi owner \$5 000 a month to drive that taxi for his monthly shifts. The result of that, basically, is that he has to earn a lot of money by getting a lot of jobs to pay for that. He said that he does many shifts in which he does not make anywhere near enough even just to cover the costs that he has to pay the taxi owner. He said that the way it is going, he will earn about \$25 000 over the whole year for working a 50 to 60 hour week.

[Interruption from the gallery.]

The ACTING SPEAKER (Ms J.M. Freeman): Excuse me! Visitors are welcome to sit in the public gallery and you are welcome to listen, but you are not allowed to make any comments. If you make comments, unfortunately, you will be taken out of the chamber. If you want to see a particular member afterwards, I am sure you can contact them through the website.

Mr P. ABETZ: Thank you. There are real issues in the taxi industry and people are struggling. Even people who own their plates are struggling to make ends meet, quite apart from the issue —

Mr P. Papalia interjected.

The ACTING SPEAKER: Order, member for Warnbro! Member for Southern River, you have the floor.

Mr P. ABETZ: Thank you. The issue that I want to finish up on is that there are significant pressures on people, whether they own plates or lease them; they are struggling to make a living. Because of that, some people, especially those who own their own vehicle and lease the plates, are working incredibly long hours to try to generate sufficient income to look after their families and pay their mortgages et cetera. The sooner we can address the issues in the taxi industry, the better that will be.

I think the minister has already indicated that there are some creative ways in which the issue of compensation can be addressed. I think it would set a very difficult precedent if cash was actually paid out as so-called compensation. Take the pharmacy industry for example. The funding changes to the pharmacy industry that the federal government has brought in for the amount that pharmacists get from the pharmaceutical benefits scheme medicines that they dispense is such that in the last two years, the value of a pharmacy has dropped by two-thirds. If a person purchases a business —

Mr P. Papalia: It's still regulated.

Mr P. ABETZ: It is still regulated, but a person needs to purchase a licence if they want to start a pharmacy. People cannot work in that industry unless they have a licence. Those licences have dropped in value enormously because of the changes to the regulations that the federal government has made. Pharmacies simply have to cop it on the chin.

Several members interjected.

The ACTING SPEAKER (Ms J.M. Freeman): Members, the member for Southern River has the floor.

Mr P. Papalia interjected.

The ACTING SPEAKER: Member for Warnbro!

Mr P. ABETZ: I believe that it would be inappropriate for government to give cash compensation because the value of the licence has dropped, but I believe, as the minister indicated in his speech, that there is scope for the government to think of creative ways to address this issue—for example, by allowing not new competitors but those who are doing a good job to have another vehicle on the road or to multiply the size of their business without having to pay extra funds. In a sense, it would allow them to have a bigger share of the market without having to buy another licence. There are creative ways to do that, and I believe that that is the best way forward. Alternatively, perhaps people who have purchased their licence should not be required to pay a fee of any sort to operate a vehicle for the next 10 or 15 years. We could come up with different methods and proposals to address the issue.

The taxi industry plays a really important role in our overall public transport system. It is important that we have a reliable, safe taxi industry in our state. It is important for people who need taxis for work, it is important for those who are unable to drive for whatever reason to be able to get about and it is also important for our tourist industry. I believe that the taxi industry certainly deserves a lot of attention, and, moving forward, the quicker we can have recommendations flowing from the green paper and the consultation, the better it will be. It will be important for us to see the outcomes of the 29 prosecutions, I think, launched against Uber drivers so far, and how the courts deal with that. Hopefully, that will be successful and the court decisions will help to address the situation. I appreciate that the prosecutions have taken a long time, but the court system does proceed fairly slowly. Uber's practice of blocking the numbers of people who it thinks are from the Department of Transport has made it a little more difficult for that system to move forward. Nonetheless, the fact that over 20 prosecutions are before the courts certainly indicates that the government has not been sitting on its hands in dealing with the taxi industry, but that it is moving forward on this issue. I certainly look forward to reading the recommendations that come from the green paper and seeing the taxi industry move forward in a constructive and positive way.

MS R. SAFFIOTI (West Swan) [5.43 pm] — in reply: I just want to close this debate. For someone who purports to have a lot of taxidrivers in his electorate, the member for Southern River has shown a complete ignorance of the situation facing taxidrivers today. I think the lack of feedback from the Liberal Party backbench again demonstrates that government members are out of touch with what is happening in the community. I like a good story as much as the next person, but the taxi industry is facing chaos. We heard a story about one of the member for Southern River's family members. The member provided the pharmacy example; I will go on to that pharmacy example. Do not compare the pharmacy situation with the taxi industry. I cannot sell Panadol on the streets tomorrow, can I?

Mr P. Abetz: Actually, you can.

The ACTING SPEAKER (Ms J.M. Freeman): Member for Southern River, I protected you.

Ms R. SAFFIOTI: I can go and sell Panadol on the street tomorrow?

Mr P. Abetz: Yes.

Ms R. SAFFIOTI: I can sell Panadol on the street, from a card table?

Mr P. Abetz: Yes, legally.

Ms R. SAFFIOTI: That is absolutely not true. I cannot sell Panadol on the street, from a card table.

Mr P. Abetz: Your local council would not like that.

Ms R. SAFFIOTI: Do not compare that.

Mr F.M. Logan: It is also like the crayfishing industry; licences are bought and sold. It would be a bit like me going out and taking any crayfish that I like in or out of season and selling it. It's exactly the same as that.

Ms R. SAFFIOTI: Exactly. I am glad members got to see the true colours of some of these members of the Liberal Party. They go around pretending to be protectors of small business and property rights, but time and again when they face challenges, they squib it and walk away. They do not care about the people whose lives are being affected today.

The minister gave a good theoretical answer in a nice manner and I am glad he took the debate seriously for once, but he gave no time frame and no certainty for the industry. That is what we are calling for. The minister

acknowledged that there are property rights, but he discounted or completely ruled out compensation. How could the minister do that? He acknowledged that there are property rights, but ruled out compensation. The Liberal Party goes on about property rights, but members opposite are complete frauds on property rights time and again, and I am sick of it. I am sick of the pretence and hypocrisy of the Liberal Party. It goes out and pretends that it is the friend of small business and working people, but on challenge after challenge it always fails. I do not know who government members talk to in the community, but surely there are taxidriviers in their electorates facing hardship. I do not know who the member for Southern River has talked to if he thinks that all taxidriviers support the green paper and think that having a green paper is enough. I think the member for Southern River re-creates the same conversation with people time and again, because surely taxidriviers are not going to him and saying, “I’m so glad there is a green paper; the government has acted.” Does the member for Southern River think that taxidriviers do not think the government has turned its back on them for the past year? Of course, they do because it has. The government has turned its back on the industry.

The minister has a department. The opposition deals with issue after issue, but the minister has a department, a ministerial office and thousands of people. Do not tell me that the minister could not get a plan for the taxi industry in a couple of weeks if he seriously wanted to! This issue has been on the agenda since August last year when the government was talking about deregulation. Why is the minister not in a situation to give the industry some certainty? The minister is letting the situation become chaotic and anarchic. That is not what we want in our society. Time and again, when we really test what the Liberal Party stands for in this place, it absolutely fails. Liberal Party members are letting down people in their electorates who work hard and have invested in the taxi industry.

What is the government’s definition of a level playing field? That is the issue. The minister has had a year and thousands of people at his disposal, but he has not gone beyond those words. People do not understand that ministers can get departments to work up solutions in a week if they want to. If a minister is serious about doing work, they have the ability and the resources to get the work done. The minister has been in the role for a year and has had all the submissions. He said that the department has looked at them as they have come in, but he cannot even give us a time frame to sort this out by Christmas. The minister should be ready with a plan next week. I know that it is technical but, seriously, the minister has millions of dollars and thousands of people at his disposal; he should be able to provide a plan. Members on the other side of the chamber laugh. As I said, this is typical of the Liberal Party—turning its back on small business in WA. The member for Murray–Wellington walked into this place with property rights legislation!

Several members interjected.

Ms R. SAFFIOTI: If we go through Liberal Party election policy after election policy, we see that it is the party of property rights. Time and again this government has failed. I thank the minister for actually responding to this issue today instead of refusing to respond like he did on John McGlue’s radio show last week. I thank him for having stood and responded. He went through all the technical issues, which is fair enough. But, honestly, he should provide some certainty! The minister promised John McGlue he would go on radio next week and, hopefully, by that time he will give us more definition, more certainty and some more plans on what he wants to do with the taxi industry.

Mr P. Papalia: Commit to compensation; it’s just unfair.

Mr D.C. Nalder: You haven’t seen the recommendations.

Ms R. SAFFIOTI: Pardon?

Mr D.C. Nalder: Your counterpart over there keeps whingeing.

Ms R. SAFFIOTI: The minister just ruled out compensation.

Several members interjected.

Ms R. SAFFIOTI: Honestly! The minister had his opportunity to provide certainty and to outline his government’s plan for compensation. He failed to do so. I implore the minister to have a plan next week to give certainty. Honestly, if the minister is serious about policy and serious about his job, he would get down and do the work. Do not wait for government processes because they can take forever. Show some leadership, take control and give some certainty to the industry. The minister should not sit back as though he were a passenger in this debate. He is meant to be driving this debate. He is in charge of this debate. He is a minister of the Crown. He should act like it, take control and give some certainty to the industry.

[Interruption from the gallery.]

The ACTING SPEAKER (Ms J.M. Freeman): Excuse me! People in the public gallery, thank you. To those in the public gallery, you are welcome to sit in the public gallery but you are not welcome to enter into the debate. The debate is for down here, thank you very much.

Extract from *Hansard*
[ASSEMBLY — Wednesday, 14 October 2015]
p7349b-7365a

Ms Rita Saffioti; Ms Margaret Quirk; Mr Mark McGowan; Mr Dean Nalder; Mr Peter Abetz

Division

Question put and a division taken, the Acting Speaker (Ms J.M. Freeman) casting her vote with the ayes, with the following result —

Ayes (15)

Ms L.L. Baker
Dr A.D. Buti
Mr R.H. Cook
Ms J.M. Freeman

Mr W.J. Johnston
Mr D.J. Kelly
Mr F.M. Logan
Mr P. Papalia

Mr J.R. Quigley
Ms M.M. Quirk
Ms R. Saffioti
Mr C.J. Tallentire

Mr P.C. Tinley
Mr P.B. Watson
Mr D.A. Templeman (*Teller*)

Noes (31)

Mr P. Abetz
Mr F.A. Alban
Mr C.J. Barnett
Mr I.C. Blayney
Mr I.M. Britza
Mr G.M. Castrilli
Mr V.A. Catania
Mr M.J. Cowper

Ms M.J. Davies
Mr J.H.D. Day
Ms W.M. Duncan
Ms E. Evangel
Mr J.M. Francis
Mrs G.J. Godfrey
Mr B.J. Grylls
Mr C.D. Hatton

Mr A.P. Jacob
Dr G.G. Jacobs
Mr S.K. L'Estrange
Mr R.S. Love
Mr J.E. McGrath
Ms L. Mettam
Mr P.T. Miles
Ms A.R. Mitchell

Mr N.W. Morton
Dr M.D. Nahan
Mr D.C. Nalder
Mr J. Norberger
Mr D.T. Redman
Mr M.H. Taylor
Mr A. Krsticevic (*Teller*)

Pairs

Mrs M.H. Roberts
Mr M. McGowan
Ms S.F. McGurk
Mr B.S. Wyatt
Ms J. Farrer
Mr M.P. Murray

Mr W.R. Marmion
Dr K.D. Hames
Mr A.J. Simpson
Mrs L.M. Harvey
Mr T.K. Waldron
Mr R.F. Johnson

Question thus negatived.