

Dr Tony Buti; Mr John McGrath; Mr Tony Krsticevic; Mr Dean Nalder; Ms Rita Saffioti; Mr Bill Johnston; Ms Janine Freeman; Mr Rob Johnson; Mr David Templeman

TAXI AMENDMENT BILL 2016

Second Reading

Resumed from an earlier stage of the sitting.

DR A.D. BUTI (Armadale) [2.43 pm]: I rise to continue my remarks on the Taxi Amendment Bill. I hope that during the lunch recess, the member for South Perth was able to catch up with the member for West Swan—who I think sought him out—and put his views. One of the interjections from the member for South Perth was, “What would you know?” I will tell the member for South Perth what I know. I know about the taxidriver who came to see me. He used to live in the electorate of Kalamunda but has moved to Armadale due to family circumstances. He told me that he paid between \$150 000 and \$170 000 for his taxi plates. He said that he is now a broken man financially. This government is offering taxidrivers such as this man only \$20 000. Member for South Perth, regardless of whether someone went to university or did not go to university, or whether someone went to primary school or to high school, I think most people would believe that \$20 000 is not a fair adjustment package or compensation for a person who has paid up to \$170 000 for his taxi plates.

The member for Cannington talked in his contribution about “it’s the vibe”. Of course, that brings up the movie *The Castle*. *The Castle* was about how the government had taken property on unjust terms. This is not related to this Parliament, because we are a state Parliament, but the Australian Constitution states that the federal Parliament is not able to take a person’s property on unjust terms. “Just terms” does not mean market value. It refers to what is fair and reasonable. I do not think anyone on the government side of the house would think that \$20 000 is fair compensation for a person who has paid \$170 000 for some property. Taxi plates are a form of property. They are not real property, such as land, but they are personal property. They are a chattel. The government is not demanding that that property be given back. However, with the arrival of Uber into the market, the government is saying that it will take that property back from taxidrivers. It is not a compulsory acquisition; I understand that. However, many taxidrivers have no choice but to give their property back to the government. Taxidrivers bought those plates in a market that was regulated by the government. The government now wants to give them back only \$20 000 for their plates.

I hope the Minister for Transport in his response will provide the rationale for why he has come up with that figure of \$20 000. I have read the minister’s second reading speech, and I do not think the rationale has been made out. I am sure the minister will provide the rationale. However, I do not think the minister will be able to argue that that is fair compensation. It is not. Taxidrivers have paid \$170 000 or \$200 000 for their taxi plates, and the government is going to give them \$20 000. That is not fair. The minister may say that he has made that decision because of X, Y or Z. That will then be on record and we can debate it. However, surely the minister will not be able to make the argument that that is fair compensation.

The taxidriver who came to see me now lives in Armadale, but he formerly lived in Kalamunda. Kalamunda is a nice part of the world, Minister for Health. The minister should also have recognised me when he talked about Zambia, because I was on the original charity bike ride that raised \$300 000 for the hospital.

Mr J.H.D. Day: Well done!

Dr A.D. BUTI: Thank you very much, minister. That is very gracious of you.

By the end of my conversation with this taxidriver, he was crying. If taxidrivers own property that is worth \$200 000, but, due to circumstances in the industry, that property is taken away from them and they are given compensation of only \$20 000, that will not assist those taxidrivers who rely on the income that they can generate in the industry.

I do not know where the member for Southern River gets off. I really just do not understand him. I may not agree with the minister, but I understand the minister when he speaks, even though I may not agree with his rationale et cetera. But I think the member for Southern River is in cloud cuckoo-land because he comes up with rationale that just does not make sense. He talks about taxidrivers who say they are doing really well. Since Uber has become a reality in the Perth market, I have not come across a taxidriver who believed that they were doing well. Since Uber has become a reality, no taxidriver that I have come across in Perth is doing well. This same taxidriver originally from Kalamunda said that his income has been reduced, depending on which week, by between 40 to 60 per cent. His income has reduced from 40 to 60 per cent, and he still has additional costs with a reduction of income. The best the government will do is give him \$20 000 for something that was worth from \$160 000 to \$170 000 when he purchased it. He purchased taxi plates from a government under government regulation and agreed to the government conditions.

I will be interested in receiving the minister’s response. I will be interested to know whether the member for West Swan has received any takers from her offer to negotiate a better deal for taxidrivers. I know she has

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sought out the member for South Perth, who was very keen before lunch to speak to the member for West Swan—if she sought him out—and I think I heard it over the Parliament House public address system.

Mr J.E. McGrath interjected.

Dr A.D. BUTI: You were working in your office at 10 minutes to two o'clock?

Mr J.E. McGrath: I went to my office; I was on my way back when I got the phone call.

Dr A.D. BUTI: Okay. I am sure the member for West Swan is prepared to go outside and talk to the member for South Perth now!

Mr D.A. Templeman: He was hiding behind his Merc!

Dr A.D. BUTI: Yes.

Mr Speaker, thank you for allowing me the opportunity to speak on the Taxi Amendment Bill 2016. It is not a bill that will provide any relief to taxidriviers that is considered to be fair. Although we will not necessarily expect the government to come up with a compensation package relating to the market value of the cost when drivers purchased the plates for \$170 000 to \$180 000, it cannot be seen to be fair compensation or adjustment to receive only \$20 000. When that is contrasted with what potato growers received when their market was deregulated, the Labor Party championed deregulation of the potato industry. The so-called free enterprise party over the other side was behind the eight ball when it came to that.

A government member interjected.

Dr A.D. BUTI: I do not know whether it was the member for Murray–Wellington who interjected, but his government, before the last election, was not supporting the Leader of the Opposition's call for the deregulation of the potato board.

Mr M.J. Cowper interjected.

Dr A.D. BUTI: He was not! The member came after —

Mr M.J. Cowper interjected.

The SPEAKER: Member for Murray–Wellington, you are not at the football yet. Let this member continue.

Dr A.D. BUTI: The compensation the potato growers received is interesting when compared with what is being offered to these taxidriviers, who had their income reduced by up to 60 per cent and are being offered this pittance of \$20 000. It is not just, and it is just not fair.

MR J.E. McGRATH (South Perth — Parliamentary Secretary) [2.54 pm]: I rise to make what, in the words of the member for Armadale, might be one of my brief contributions to this place. The member for Armadale got a bit upset earlier today, but I felt that he was attempting to pre-judge me before I had had a chance to speak on this issue with the Taxi Amendment Bill 2016. I want to make a couple of points. I became very upset when a lot of our members in this chamber, a lot of backbenchers, were being pilloried for misleading taxidriviers who had come to our electorates and were told, "We will support you; we will fight for you on this issue because we believe you need to be looked after." We went to our party room and convinced the minister. I must say that in a couple of meetings with the minister's agency, the people there were very disinclined to look at a levy because they felt it was going to be too difficult—and we said, "Minister, if we don't do something for these drivers and do not bring in a levy, it is going to be difficult for some of us to support what our government is trying to do." Bear in mind that backbenchers do not control the government. The government is controlled by cabinet, but we get a say, and in our party room, we do speak. We have a lot of very vocal discussions on a lot of matters. I do not know what happens in caucus, but we have a say in our party room. I am looking forward to hearing what the minister will say later. However, I do recall as follow-on from that meeting, the member for Carine asked a question of the minister in this place about a levy, and the minister informed Parliament that the government or his agency would be looking at some kind of levy. Most governments in Australia have looked at levies. Some have gone straight through and implemented them; others have problems with them. One of the biggest issues is how to collect levies. We did not care about that. We said to the minister that we want a levy, and we want to help those people who have been to our electorate offices.

I refer to my background. I am from Fremantle. I grew up in Fremantle when a local, Vodanovich, ran the taxi company. I have grown up with taxis all my life. I support Swan Taxis. I am a customer of Swan Taxis. I would not even know what an Uber car looked like, and I support the local industry. Drivers who pick me up regularly know that I am a supporter of Swan. I am also a supporter of people I know who started out with nothing; they were young people with families who started out driving for a cab owner. They worked 17 to 20 hours a day sometimes to try to eke out an existence to be able to save enough money to one day buy a set of plates. Once

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some bought that first set of plates, they were lucky enough to buy another set of plates. They bought those plates in the regulated industry where they knew that there were fees and charges put in and they could get a guaranteed return on their investment.

I want to tell a story that I raised in the party room about a constituent of mine who lives in Waterford. He is a Lebanese migrant. This guy was born in 1949 and he came to Australia in the late 1960s. He spent the first 12 months in Sydney, and then he came over and he worked up in the Pilbara. His first job in the Pilbara was as a kitchen hand. As his knowledge of English improved, he decided he wanted to be part of the general workforce on the mine, and he was able to do that. He continued to work in that industry for many years until he got to a stage in which he had saved enough money to start investing. He and his wife looked at shares and other investments and decided they would start investing in taxi plates, so they bought taxi plates. Over time, they bought six plates between them. The plates were bought over a 15-year period starting from 1995 until 2010. They were bought for between \$180 000 and \$270 000. Like a lot of investments, people do not just get the cash and buy a house or an investment property, or buy a set of taxi plates; these people have to borrow money. They used their home as collateral to make this investment, which was going to be for their retirement or their superannuation. They now find themselves in a very vulnerable position. As I said before, when they first bought their taxi plates they knew how much their investment income would be and what their turnover would be and, if they leased their plates out to a driver, they would get that return. Now they find themselves in a very vulnerable financial position. They are retired; they were hoping to become self-funded retirees but they still owe \$700 000 on that investment. The \$20 000 they will get for each plate—I think it is up to five plates—will not go anywhere near repaying the debt they have accrued. They might even have to sell their house.

As members of Parliament we represent constituents from all walks of life. We have all been approached by people such as this gentleman. We said that we would do our best to get them the best possible deal. The Minister for Transport finds himself in a very difficult position. We are not the only state having problems. The Victorian government wants to bring in a \$2 levy to try to get some funds to compensate cab plate owners but they are having problems with the opposition. The opposition is saying it will be too difficult to do. I had forgotten that former minister Alannah MacTiernan offered to buy out the plates for \$220 000 to \$230 000 but the plate owners did not accept that. But that was before Uber. It was a different world back then. Those drivers probably thought their plates would be worth a lot more than that. They went up to \$300 000. We live in a different space now. The world has changed. No government is going to be able to stop Uber. When I travel in cabs, I ask cabbies, “How is it going?” They tell me it is very tough out there. They say, “We might get two jobs in a whole shift.” The world has changed; it is a tough world. I do not think Uber drivers should be picking up off ranks, which is illegal. Taxi ranks should be somewhere where drivers at least have the protection of getting patronage that they are entitled to from those people. As the member for Cannington pointed out, every bit of the footpath on which a Uber customer stands is like a rank because they just call a cab to where they are.

Another story that I read at the weekend, or the weekend before, was about a young cabbie with a family who has taken out a loan to buy taxi plates and the bank is now worried that he has not been able to make any loan repayments. This was raised by another member today. As I recall that story, he said if he could get the \$20 000 now, it would be a big help. He would at least be able to go to the bank and say, “Here is a payment and give me more time.” The Minister for Transport is trying to pass this bill in Parliament today so that we can give those drivers \$20 000 for up to five taxi plates, but I see that as a starting point. I spoke to the member for West Swan today and she said that the opposition wants one of two things: a voluntary buyback, number one, or a compensation payment. I would support a voluntary buyback because not all owners want to sell their plates. I support a voluntary buyback, but none of this can be achieved unless we have a levy to raise the money. As a user of cabs, I would be happy to pay that levy. The people in this industry have given so much to the Western Australian community over the last 50 to 60 years as a regulated industry that we owe it to them to do that. I discussed that with the minister today and the minister knows the view of government members. I am interested to hear what the minister says when he responds. I know that a few other speakers from our side want to say something too.

We agree with the member for Armadale on this. We also want an outcome. We know that \$20 000 is not a lot to help most plate owners, but we have to find the best way through this. If this legislation is not passed today, at least give \$20 000 per set of plates now—straightaway. It is the minister’s job to sort out where we are going in the future. I am calling on the Minister for Transport and my government to come up with a better deal for taxidrivers and taxi plate owners.

MR A. KRSTICEVIC (Carine) [3.05 pm]: I, too, would like to say a few words about the Taxi Amendment Bill 2016. I would like to express my support for the taxi industry. About 30 members of the taxi industry recently visited me in my office to speak about their issues. Prior to that, I have been dealing with members of the taxi industry in various forms for over 12 months and have been liaising with the Minister for Transport and

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the minister's staff for well over 12 months about this issue. As a matter of fact they were probably scared to cross me in the corridor on many occasions because I kept chewing their ears off about this and I thought they might take out a restraining order against me! Luckily, that did not happen. When I looked at what was happening with Uber, I did a little bit of research. I found out that Uber has invaded the whole world. It has entered every country around the world. Obviously, they are now in every Australian state. I wondered how all the other states and other countries were dealing with this. Like Western Australia, I could see that they were also struggling to find an answer. They were struggling to deal with a multinational company that has new technology and a new way of working. We had an antiquated system that had been broken for a long time. For many reasons there had not really been a holistic approach to the industry. I looked to see what all the other Australian states were doing. When I saw we were offering a \$20 000 adjustment package and a hardship fund of up to \$75 000, I did not think that was anywhere near enough. To be honest, like the member for South Perth, if that was the only thing the government was putting on the table today I would not be supporting the bill. However, I am conscious of the financial position of many people in the taxi industry and I am conscious that that \$20 000 plus—potentially \$75 000—is at least a starting point. But it is nowhere near enough.

Interestingly enough, I looked at the legislation that was introduced in New South Wales on 2 June 2016. The minister there made a statement that the package they were offering is one of the most generous packages in the world. When I looked deeper into it, what is NSW offering? They are offering \$20 000 per plate for a maximum of two plates, as well as a hardship fund.

Mr D.C. Nalder: And the value of their plates.

Mr A. KRSTICEVIC: And the value of their plates. I thought, "And that's the most generous in the world!" I was shocked to even see that. When I look at what is happening around Australia —

Mr D.J. Kelly interjected.

Mr A. KRSTICEVIC: Every single government is in this position, member for Bassendean. I think the member needs to understand what is going on around Australia. We find ourselves in this difficult position. New South Wales is offering a levy. I thought a levy sounds like a good idea. It is a good way to get some money back into the system and then be able to compensate people appropriately. I do not know what an appropriate level of compensation is, but I know that the industry has suffered a lot and that the value of plates has gone down a lot. I believe that that assistance should allow plate owners to adjust to whatever the changes are. I do not know what that figure should be—it might be \$50 000, \$100 000 or \$200 000—but we need to work through that. The Minister for Transport has said that he will get his department to look at how we introduce a levy and work through what an additional assistance package might be. My understanding is that the assistance package is not about people giving their plates back; it is about keeping their plates, running their business and still working in that environment but getting a reasonable amount of money, whatever that is. I have been working very hard on that front and have made a commitment to all the people I have spoken to that I will work within this government and with members on our side of the house to make sure that people get a fair deal. I think all we are looking for is for people to get a fair deal. We need to work through what that is. This Taxi Amendment Bill does a couple of things. It provides for \$20 000 to be given right now. It will also give people the opportunity to apply —

Mr D.J. Kelly: Today?

Mr A. KRSTICEVIC: As soon as it gets through the system, yes.

The member for Bassendean does not have to treat it like a joke; this is a serious issue. He was trying to make it a serious issue and now he is joking.

Several members interjected.

Mr A. KRSTICEVIC: The bill includes an option to provide \$20 000 plus up to a \$75 000 hardship amount. I have said to people that I would like them to have access to it as soon as possible. I do not want to hold up this bill and be mucking around with ifs, buts and maybes and arguing with the opposition about what should or should not happen. I think plate owners need this money now; they need to get it as soon as possible. I think also that it is not enough. We need this levy. We need to put more money in the coffers and make sure we make that adjustment to whatever it is. There are a couple of players here. We are talking about new entrants to the market in people who have paid a lot of money; recent arrivals to Australia who have started their own business; people who have owned plates for up to 50 years and passed them from generation to generation; and people who treat their investment as their retirement fund. There are many people in different situations. Some are in financial hardship today. Some may not be in financial hardship; however, their assets have been eroded quite considerably and that will affect their retirement. A lot of factors need to be taken into account concerning who needs to get what support and how quickly they need to get it.

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The ACTING SPEAKER (Mr I.M. Britza): Excuse me, members! It is getting a bit loud.

Mr A. KRSTICEVIC: It is not an easy issue. I have tried to get my head around it. In the taxi industry, there are dispatch services, management companies, plate owners, drivers and those who lease the plates. Those are five groupings. From what I understand, over a long time, to a large degree, those groups have operated independently, not as a united body to represent their best interests. When most people think of the taxi industry, they think of Swan Taxis. Swan Taxis does not own taxi plates but most people in the community do not know that. I think of it as, effectively, a dinosaur Uber giving out jobs and charging people money for that. To the best of my knowledge, Swan Taxis has not reduced its rates since this has happened. It is the major player in this industry and the people who have made them very rich over a long period are now suffering. This peak company, which has been getting wealthy on the backs of each and every one of the taxi plate owners, has not cut its fees and rates to help them out, but plate owners are cutting the rates they charge management companies so they can survive, so drivers can survive and so that plate owners can survive. It is a disgrace for Swan Taxis not to be doing more to try to help and take a more proactive approach in representing the industry. I am not an expert, but I have learnt a lot over a short time and I am very, very disappointed.

A lot of people who have recently bought plates may be familiar with all the rules, regulations and laws and the traps out there, but no-one has said that they were not buying something that involved risks, as there are in every investment. Obviously, this industry has been subject to a lot of government regulation and control. As we can see here today, when the government sticks its nose in business and tries to control people, businesses and industries the way it has here, and as it has with other entities in the past, things can go pear-shaped. It is always best for the government to walk away when it can. My view is to let the private sector, individuals and small business operators run things and let us look at how we can assist with rules and regulations.

People talk about the government selling plates, and I have information to that effect. The last time that happened was in 2011. The amount was not \$200 000, member for Hillarys; it was about \$130 000 because peak-period plates were converted to full plates and they paid the difference. Maybe it was before.

Mr R.F. Johnson: It was about \$190 000-odd.

Mr A. KRSTICEVIC: Yes, but \$56 000 or thereabouts was given as a credit. I do not want to go into the details, but the bottom line is, yes, overall it cost about \$200 000 to get a plate. They might have bought the peak-period plate 10 years ago but they had to pay an additional fee to convert it to a full-period plate. Yes, I believe the government needs to very seriously take that into account because, if in 2011 we were allowing people to do that, we should have been giving them better advice and saying, “Maybe you shouldn’t be converting your peak-period plate to a full-time plate; maybe that’s not the smartest thing to do at the moment because the industry is going through a bit of a transition and we don’t know where it will end up so it might not be the smartest investment.” Obviously, the department does not say those sorts of things. I feel genuinely sorry for those people. The cousin of a good friend of mine recently bought a plate for \$345 000 in, I think, 2014. When he told me that, my jaw dropped. Mind you, everyone in his family’s jaw dropped as well because he did not tell anyone; he just went out and did it. I think the advice from everyone at that stage would have been do not do that. But he did not know; he was in the industry and thought it was all okay and made that investment. I feel very sorry for people like that. I do not think people should have to go through what plate owners are going through, especially financially. I know lots of people—family and friends—who have invested in businesses that have gone pear-shaped, whether it be through their own fault, competition or regulatory change, and I have seen them lose a lot of money and their lives go back a lot. I have felt that pain. In my former life at the tax department, I have discouraged people from investing in certain businesses, saying, “I wouldn’t do that if I were you; I think you’re taking a bit of a risk and I don’t think the reward is there for the risk you’re taking.” People do not listen; they want to try it themselves and later on we feel really sorry that we could not convince them properly that it was not the right decision. If it is close family, we feel even worse. I feel the pain and I feel genuinely sorry for each and every one of those affected.

As a member of government, I have learnt in this job that nothing is easy, unfortunately. Everything that is important to the community is important to us as members of Parliament. But trying to work through the bureaucracy and the legislation and priorities and arguing backwards and forwards is complicated. No doubt people on both sides of the house strongly support each and every one of those in the gallery and want to see them get the best possible outcome. How we get there has not been an easy process to this point. Between now and whenever there is a resolution, there is still a bit of pain to go through, unfortunately. I do not know whether there is an ideal solution. I hope the future of the industry turns out to be bright and plate owners end up going into bigger and better things down the track. I cannot say whether that will happen but that is my hope because we need the taxi industry; it is important to this state. It has done a great job for many years. People tell stories about bad taxi rides, but no-one tells the stories about the bad behaviour of passengers and the abuse and the hard time they give drivers and how they provoke them with what they say and do. To be honest, I would not do their

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job; it is a difficult job. They deserve all the recognition in the world for what they do, and what they are going through here today does not make it any easier. Although technology and the world are moving at a rapid pace, unfortunately in a lot of cases, government and bureaucracy are part of a slow dinosaur. It needs to build up momentum, and that has been shown over many years. I know we argue with the Labor Party that it should have done this or that and that we say to them that when they were in government they did not do anything. We argue that backwards and forwards on different issues. I know that members opposite have talked about wanting to do a buyback, but I am not sure that they introduced any legislation into Parliament. I am pretty sure that a bill did not go through the lower house. I understand that Labor Party members say they wanted to do this but did not get support from the industry or the Liberal Party, and because it was not going to pass in the upper house it did not introduce it in the lower house. I searched *Hansard* and also got staff to look for it, but we could not find anything. The staff could not find what members opposite were talking about. The Labor government should have introduced it and pushed it through the lower house, and if it did not go through the upper house, so be it, but it would have been on the record. I did not find that. It may be that the 2005 legislation that the member for West Swan referred to did happen, but I could not find it in *Hansard*.

Several members interjected.

Mr A. KRSTICEVIC: I tried to find it and I asked the staff to help me, but they could not find anything and that is disappointing. I do not know what the member for West Swan has on her agenda, and obviously the member for South Perth mentioned buybacks and an increase in the compensation package. I do not have an issue with increasing the buyback package once the levy is introduced and it starts generating some funds. As I said, if that ends up being \$100 000, \$200 000 or \$300 000, I do not really care what the figure is—the more money we can generate, the better. If the community is getting the benefit of cheaper fares through Uber or whatever other company and if that provides a different service and the taxi industry morphs into something different, that is an opportunity for taxidriviers. It has obviously galvanised the industry to talk to each other and to work more closely together to understand that they can collectively make a difference and try to achieve a better result. Taxidriviers need to continue talking to each other to try to make sure that whatever the future is that they are dictating that future and it is not being dictated to them by Swan Taxis or anybody else, and that plate owners are dictating what that future is. At the same time, members in this house need to make sure that we support taxidriviers and give them financial assistance to help with whatever hurt the introduction of these new technologies has brought into the industry. The fact that the government has not been able to move quickly enough to give the industry that support means that we need to do better. I have no doubt about that. We need to move faster and become more agile. At the same time, I encourage taxidriviers to still talk to their local members of Parliament and to understand that we all want to do the right thing and look after them, but it is never simply black and white as some members opposite would have them think. I am not sure that the opposition, if it were in our position, would do anything different. In the past they have not done the things that we have done, but they are criticising us for taking so long to do them.

I reinforce the fact that taxidriviers have my support and my ear. They can visit me at any time. I can see Athan in the public gallery, whom I have met on numerous occasions. My door is always open, Athan, as it is to everybody. I do not think I have ever knocked back meeting with anybody, and I have opened doors for other meetings that maybe had not been easy to achieve prior to talking to me. I think all of those in the public gallery can see that I have tried to be as genuine as I can in my support.

Mr P.C. Tinley: Are you Pontius Pilate now, mate?

Mr A. KRSTICEVIC: It is not Pontius Pilate; it is a serious issue and I have been working on this for a long time.

Mr P.C. Tinley: You just washed your hands of it.

Mr A. KRSTICEVIC: I am not washing my hands of anything. The member is treating this as a joke!

Several members interjected.

The ACTING SPEAKER: Members! Member for Willagee, thank you.

Mr A. KRSTICEVIC: It is ridiculous, member!

Ms S.F. McGurk: Actions speak louder than words!

Mr A. KRSTICEVIC: That is right, and I have been working on this for a long time. How long has the member for Fremantle been working on it? Five minutes!

Ms S.F. McGurk: And what have you done?

Mr A. KRSTICEVIC: I have done a lot, actually, because the situation has changed a lot compared with where it was, and I have been supporting lots of people. I am not going to take any more time. I need to finish up,

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because we want to try to get this through today by five o'clock. I believe that the opposition Whip said it will get through Parliament, so hopefully we will get it to the upper house. The sooner it gets through, the sooner the people in the industry will get some financial assistance from this Parliament and this government. I thank you again for coming in today.

[Interruption from the gallery.]

The ACTING SPEAKER (Mr I.M. Britza): Members of the gallery, you are most welcome to be here, but you are not permitted to speak out.

[Interruption from the gallery.]

The ACTING SPEAKER: Security! I understand, but you are not allowed to speak in the Parliament. We welcome you here, but if you speak again I will have to ask security to take you out.

MR D.C. NALDER (Alfred Cove — Minister for Transport) [3.24 pm] — in reply: I firstly acknowledge that this has been a tough amendment and very tough changes that the industry faces. It has not been easy, but it is a phenomenon that has occurred right around the world. It occurred in a lot of places before it occurred in Western Australia. Therefore, I thought it would have been far easier for us to look at what other jurisdictions were doing to find guidance on the way through and forward. That has been one of the difficulties. There has been some criticism today about the time it has taken the government in Western Australia to tackle this issue. I can share with members that every jurisdiction in Australia has struggled with the same issue. I have had a look at when uberX first entered each state and when the first lot of policy reform was announced in each state. I can say that in WA the bill took 20 months; in New South Wales, it took 20 months; in Victoria, it took 32 months—if it gets going in January 2017—in Queensland, it took 28 months; and in the Australian Capital Territory, 12 months. That is not to make an excuse. I would love to have come out with a raft of changes and been able to do that immediately and to help people find a way through this but, as I said, it has not been easy. The government has the responsibility when it is spending taxpayers' money to make sure it can justify any action that it undertakes.

I have had various meetings with respective transport ministers in other jurisdictions—both Liberal and Labor transport ministers. When we get together to discuss issues like this, we put politics aside in those types of forums and we sit down and share with each other how we are trying to deal with the issue. We share cross boundaries, because we do not need to be political when we deal with other states and we try to help each other to find resolutions. This has been quite difficult, and we have looked to each other as to what we are implementing. Western Australia has had an advantage over other states in that a certain percentage of our plates are licensed off the state. Every other jurisdiction said, "Boy, we wish we had taken that step and had a similar situation." For Western Australia to have been able to withhold over 400 licences out of the marketplace is something the other states would dearly have liked to have done as well.

In this process I want to clarify a little about this bill, because there has been a lot of noise today that would suggest that the \$20 000 payment is our assessment of the value of the business. It is not. A few members have acknowledged that the government has been looking to do a lot of other things to try to make this process easier, more equitable and fairer for everybody. That in itself has been challenging because we found ourselves at the forefront of this, from a global perspective, trying to find a more equitable way to deal with it. From a compliance perspective there were claims made today that we have not done anything. I have not updated the house recently on this, but members would know that I announced that 29 Uber driver were being prosecuted, but the number of Uber drivers being prosecuted at this point is in excess of 40. That in itself has been difficult because we have no laws available to us to lean on to prosecute the dispatch service. We have had access only to the drivers of the vehicles. That has been in itself a challenge for us to undertake. Then we saw activities in which our enforcement officers within the department were basically black-banned from accessing the services, and we had to get private investigators involved to try to enforce the law.

As an individual, was I happy with the way that Uber entered the market in Western Australia? I was not at all happy. I have never ever caught an Uber vehicle, and I do not intend to, because I struggle with some of the values of the organisation. I do not like the way it entered the market. I have only caught taxis in Perth and I intend to continue doing that.

When the government looked at what other jurisdictions were doing with allowances and we tried to look at a way through, we found that a lot of jurisdictions had introduced a \$20 000 payment similar to the one we have introduced, but they are using a levy to collect and fund that payment. We are not looking to do that. We are looking to get that money without any impost on the consumers of taxis. We also did not want to restrict it. I think New South Wales has restricted it to two licences and I think South Australia is similar. South Australia's payout is \$30 000, which is a bit higher, but it does have a levy. Under our laws, there is a maximum of five licences, and we wanted to make sure that operators could get the \$20 000 for all five.

Extract from Hansard

[ASSEMBLY — Thursday, 8 September 2016]

p5721b-5749a

Dr Tony Buti; Mr John McGrath; Mr Tony Krsticevic; Mr Dean Nalder; Ms Rita Saffioti; Mr Bill Johnston; Ms Janine Freeman; Mr Rob Johnson; Mr David Templeman

We asked how this was fair and how we were to look at it. This is where we had to track the volume of taxi fares flowing through. We have continued to monitor that, and I stood up in this house in May and shared the data, after considerable pressure. The member for Carine has been one of the loudest advocates in the party room for us to consider further amendments. We continue to monitor the data. We have been monitoring data about the total taxi fares across the industry, and I have been looking at it. I have it here, and I am happy to table the report. It shows me the total volume of fares in the taxi industry on a quarter-by-quarter basis since 2012, split between dispatch and rank and hail. In 2015, when we were trying to work through an appropriate measure, the reduction in taxi fares was around 15 per cent. When we were looking at pulling 20 per cent of the taxis out of the industry, the \$20 000 figure was not representative of the impact on the industry.

We saw that the industry needed to change. I know that the majority of taxidrivers and operators are genuine, honest, hardworking people. However, the problem we had was that if there was a bad apple, and that did occur from time to time in the industry, the whole industry wore it, because we had no brand or identification—a taxi was a taxi. We saw discrete values placed on various aspects of the value chain. We have dispatch, we have a licence, we have the operator of the vehicle, we have a driver—to keep it in simple terms—and we have a customer. Within the taxi industry itself discrete values have been placed on these. We have seen a company such as ComfortDelGro, over a number of years, exit from driving and operating vehicles and move back to just being a dispatch service. It takes very little responsibility or accountability for the quality of the vehicle or the competence of the driver. What comes into the marketplace has been left to government regulations and individuals to decide. Successive governments, irrespective of politics, have tried to tackle improving the quality of drivers and to regulate the industry, and we ended up putting more red tape into the system and creating more roadblocks against the industry operating in a fair and effective manner.

These things have made it difficult. The entry of Uber and other such companies around the world into the marketplace, and the demand from the community for a better standard of service, is where this nexus is. In politics that makes it very difficult. Around Australia, the states are split between Liberal Party governments and Labor Party governments, and each one has been trying to tackle the same issue. Politics aside, when a government is trying to work through these changes, and the community is demanding a better standard, that government has to listen to that demand and work out how to transition to that and get that outcome for the broader community. We have been faced with a situation in which broader communities are demanding a level of change.

This bill is the start of the reforms. The aim is to make it a very simple bill so that it does not require huge amounts of debate, because we want to get the payment out there as quickly as we can. We also said that the major part of the reforms will come in the second tranche. They have been well underway for some considerable time, and I have a deadline to receive those reforms by the end of November this year. The difficulty, given that this is an election year, is whether we can get those reforms into Parliament in time. If we are realistic, we are going to struggle to get that second tranche introduced, which looks at a lot of issues to do with creating a level playing field. It looks at the additional issues that I mentioned in May about how we can potentially generate additional funds for the industry, and I would really like to achieve that outcome. I do not have a set number in mind, but, as a government, we need to work out what that number needs to be so that we can justify it to the broader community.

This bill is about the transition allowance. It frees up the market so that people can own more than five taxi plates, so we can potentially allow the demand to increase. It is a simple change to the legislation. A lot of the other reforms require substantial changes to the legislation, because it is not acceptable that only drivers and operators of vehicles are held to account for the quality of service being delivered. We need to make sure that dispatch services, all the way through the system, are accountable for the quality of service that is delivered. When I look at ComfortDelGro, Swan Taxis or Uber, I see dispatch services. They need to be held to account for what they are doing. The lack of law that exists in just about every jurisdiction around the world to deal with dispatch shows that there is a massive flaw in the current act. We are looking for massive changes to that act, but we want to simplify it at the same time. If we can get the industry to take ownership of the delivery of a quality service and a quality customer proposition, it means that the government can reduce the red tape and make it simpler for people in the industry to operate. The delays at the moment in getting people trained up to drive taxis is impeding taxi operators, licensees and so forth from making sure that their cars are running.

We are looking to do a number of reforms, and we have been engaging with the industry. Today there was criticism that the government has not engaged and consulted with the industry. I heard the member for Mandurah, and was I a little bit disappointed in some of the commentary? Yes, I was, because I and my office have met with Mandurah Taxis in excess of 70 times. The broad discussion has been around whether, in the future, Mandurah should remain a regional taxi service or become part of the metropolitan area taxi service. The company agrees that that is the debate that we need to have. We have been talking that through with the

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company and trying to understand the consequences of those changes. At the moment, the rest of the metro taxi services cannot operate in the Mandurah area, and Mandurah Taxis cannot operate here. Mandurah Taxis wants the benefits of being part of the metropolitan area, but wants also to retain the benefits of being a regional service. We often see that in Mandurah across a number of issues. That is one of the challenges that we face.

As I said, the transition allowance of \$20 000 is really just the first step, and we need this bill to go through to enable us to access funds from the taxi industry development account pool that exists today. Without that, we cannot make that payment. That is why this bill is going through. The hardship allowance, as we have talked about in the past, does not require the bill to be passed, but it does require due process to be established and independent bodies formed to oversee this process so that it is separate from government as an independent authority that can oversee it and ensure that people are treated fairly, equitably and in a transparent manner in a way that they can understand.

As I flagged yesterday, we have been working to make this happen as quickly as possible. Again, would I have liked it sooner? Yes, I would have. We would have liked it sooner. It does not matter what side of politics people sit on, we all would like to get this out there. I have asked the department to proactively mail out, and not just put it on its website, to every taxi plate licence holder a letter to explain how to make an application for hardship. That is scheduled to be in the mail tomorrow so that by Monday, or early next week, over 1 000 licence holders will receive a letter from the Department of Transport that details the hardship fund and how drivers can apply for and seek assistance. As I said, it is about more than just the \$20 000.

The members for Carine and South Perth raised the matter of special consideration. In May I mentioned in this house that we had compared the number of fares in 2014 with the number of fares in 2015 and found that they had reduced by 15 per cent. That occurred not entirely as a result of the introduction of Uber and the reforms. We have found that since 2012, some two years before the introduction of Uber in this state, the number of fares reduced. However, we have seen a dramatic decrease, and I have the figures here. In 2013 there was a 3.8 per cent reduction compared with 2012, and in 2014 there was a 3.5 per cent reduction compared with 2013. In 2015 there was a 15 per cent reduction and, as I said, the number of taxis in the marketplace reduced by 20 per cent. However, since that point in time, which is what I declared in May, it had been pretty flat throughout 2015, and it dropped again in January, February and March. We are not sure whether that was a spike or whether it was going to be consistent. We saw it continue on that new platform throughout April and May. That is when we made the call to take another look at it.

If we to look at other jurisdictions, what we are doing in this state is more generous than what New South Wales is doing. I will take New South Wales in isolation. What has happened in New South Wales is that its economy has turned up. As Uber has come into the market, the number of taxi fares in that state has increased, whereas in our state the number of taxi fares has decreased. That change in the number of fares is a result of the changes occurring in the economy of the state. This is why it is difficult for governments to decide whether to step in. When economic factors are at play, governments must question how much of that is due to economic factors and how much of it is due to reform factors, so they have to try to work through that and identify what factors are at play.

We took another stance, and I did that with the help of the members who sit behind me in this chamber and a few members from the upper house. We had many meetings with policy advisers to debate this matter. I had to find a way that I could justify to the broader community why and how we would intervene to provide more. The basis on which we came up with that was to identify the value of discrete parts of the value chain in the taxi industry. We are moving to a system in which the value will not be in the discrete plate or licence, but the opportunity to generate revenue. We know there will be a transition period. We are trying to identify something as the industry transitions from one that has been valued on a discrete "I hold a licence; it's worth X and I can generate this income," to one that is going to be about those who generate a superior customer proposition to establish brand and value in their businesses. That will take time. We have to support the industry through that time. We have to start to think that through because the business still exists. We know that there were still about 2.1 million fares in the last quarter of 2015 versus 3.2 million or 3.3 million fares in the last quarter of 2014. In fact, the last quarter of 2014, after Uber started, was better for taxis fares than the quarter before it. I am not sure why. Perhaps it was an anomaly in the numbers. A large number of taxi fares are still being generated.

Mr J.E. McGrath: What about the first quarter of this year? Minister, do you have that figure?

Mr D.C. NALDER: It was 2.1 million in the first quarter of this year, when it dropped dramatically from nearly 2.6 million in the first quarter of last year. When the numbers first came out we wondered whether that was an aberration or whether it was a new plateau. We are finding that it is a new plateau. We know the state's economy has eroded further. We also know that is due to the impact of the reforms. We saw what I believe was predatory pricing from Uber, which I do not believe is sustainable, and that had an impact on the industry.

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We have said that because the industry is going to have to transition, we need to identify a mechanism to support them. This is where the potential for a levy comes in and why we have to identify what that amount will be, because their ability to earn an income still exists today. We know that those who continue to operate without identifying themselves either as a corporate or a cooperative, and without creating a brand which allows people to identify them as delivering a greater quality of service, will struggle relative to those who do. Apart from every taxi plate being worth exactly the same, in the future we will start to see different values within the business because there will be those who deliver a better service.

We have to allow a period of time for people to adjust. That is what we have not done. If there is a shortcoming in the \$20 000 and the ability to deal with that right at this point in time, it is because we have to work out how we articulate that and identify what that should be. It is not just a matter of drawing a number on an envelope today and saying, "We will give you this amount," because the taxi industry still exists and the opportunity to generate income still exists. However, the business in the future will be valued differently from the way the business is valued today. We are in that transition period and that is creating a problem for some people who are ready to exit that industry right now versus where they were five years ago. That is how the different hardship allowances and different things we are bringing into it will help people. Would I have loved to do this a year ago and roll it out? There is no question about that. Do I like to see people and businesses suffer? I do not like that at all. I see it across more areas than just the taxi industry in Western Australia at the moment. It is a tough environment. We know the medium to long-term prospects for Western Australia are very strong. We know the future for this state is very exciting. There will be opportunity for people to prosper and grow small businesses in this state. I recommend that we work hard to find ways to offer support for a long period of time. I believe the onus is on us to communicate that well before the end of this year so that people are clear about what we are trying to achieve.

Unfortunately, that is where politics has come into play. The opposition is going to propose some amendments during the consideration in detail stage. I have not seen any of those amendments.

Mr W.J. Johnston: Do you want them now?

Mr D.C. NALDER: If the opposition were serious about this, instead of playing politics, it would want to give them to me now.

Mr W.J. Johnston: What is wrong with that?

Mr D.C. NALDER: This is what I mean by playing politics in this issue. We want to get a payment to people as quickly as we can. We need to seriously work through how else we can support the industry financially. I do not believe tabling last-minute amendments today is taking that seriously. I have always said that there are two tranches to this. This is where it is interesting. I have put the department on a deadline by the end of November, and they are working to that and they are advising me. The indications that I get at my regular meetings is that we will have that information.

Mr W.J. Johnston: The end of November!

Mr D.C. NALDER: Unfortunately, the member for Cannington did not hear the earlier part of my speech and now he is going to start to interject. We want to make sure that we work through this process carefully. If the opposition does not like it, and if the opposition has a better process and a better approach, we are six months from an election. That is the reality. All I have heard today is criticism of me in this role and of what I have not done and what I should have done. What I have not heard from members of the opposition is any solutions or how they would deal with it. Labor jurisdictions around Australia are grappling with the same issue. We have all been working on it. Our state has actually been in advance of the majority of states with the timeline within which we are dealing with it. Is it as quick as I would like? No, it is not. If Labor members are serious and do not like what we are putting up or the further steps that we are going to take, they can take that to the election and say that they have a much better deal to put on the table. At the moment, all they are doing is whipping up emotion. They are trying to say that I am failing in my duties, failing to care about taxidriviers and failing to work through and identify solutions that will allow this industry to move forward. I have a responsibility to the broader community of Western Australia. I do care for taxidriviers. I do care for the taxi industry. I do want to ensure that they are successful into the future. When I bring in amendments, I have to be able to justify them for that broader community. That is what I am trying to do. That is when I rely on the input that I get from my colleagues, which will really challenge the status quo on what has been presented today.

I have tried to explain in simple terms why we have delivered what we have delivered. The \$20 000 has never been compensation for the value of the plate, because we see a future for, and value in, the business moving forward. What we have is a transition. I will table this report, which shows the number of fares by taxi on a per annum basis, not a quarterly basis. It shows the change, but it also looks at what is happening in the economy. It

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shows that there is a correlation between the number of taxi fares and what is happening in the economy. It does show that the number of fares has fallen faster than the economy, but it also shows that the economy has had an impact.

[See paper 4504.]

Mr D.C. NALDER: We want to get a \$20 000 payment out to these people as quickly as possible. Between now and November we want to finalise the second tranche of works, which will require substantial legislative change. In that legislative change we will be looking at greater accountability of dispatchers, irrespective of their origin, and a lot higher penalties for breaches of the act. We will be looking to create a level playing field across the marketplace. We will be looking to ensure that a rank and hail system still exists, so that if people walk out of a hotel or off an aeroplane and want to catch a taxi, those taxis are clearly identified and they have the ability to do that. But if people want to go onto a phone app and call up a service because they find that more convenient, we are going to allow them to do that. We want the taxi industry to be seen as the superior service and one that can play in both spaces. We identify that the \$20 000 is just the first step. Other things will be worked out and worked through and, in November, we will identify what additional support we need to provide to the industry. We will have the hardship allowance out tomorrow, so people will start receiving it early next week. The Small Business Development Corporation is providing training sessions, so I was alarmed to hear that someone opposite needed to intervene, because I have been getting reports that it has been undertaking sessions with segments of the industry already. What I am hearing is positive feedback. We will continue to work alongside the industry. We will continue to monitor it. I look forward to tabling further information before the end of the year, or at least making public further information before the end of the year. I encourage the Labor Party to support this taxi bill at this time so that we can get this payment out. If members opposite do not and if they believe they have better policies to present to the industry or the broader community, I encourage them to do that, because we will have an election in six months' time. The reality is that it is unlikely that that legislation will be passed before we enter the next Parliament, so I encourage them to engage and put forward their recommendations rather than just trying to do a bit of political grandstanding, as I have seen today.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clause 1 put and passed.

Clause 2: Commencement —

Ms R. SAFFIOTI: The minister mentioned the hardship assistance and that letters were going out on Monday. When will the hardship assistance funds be available, and what will be the maximum amount paid to each plate owner?

Mr D.C. NALDER: To clarify, the letters will go out tomorrow, not Monday, so I am expecting people to receive them early. The maximum amount on an individual level is up to \$75 000 or \$79 000 depending on the criteria they meet. This is being done through an independent process. We need to wait until we get all the claims in to really get a better understanding of what is going on. We are actually going to leave this open for a considerable period. My view is that we need to understand the urgency of some of the claims that are coming in to determine how quickly we can get those funds out. Our desire would be to get them out as quickly as possible. They will be eligible to start applying for it from next week. We need to get a sense of the scale of it and what the issues are and so forth to really be able to define it. We have an independent person to do that. My endeavour is to make payments as quickly as possible.

Ms R. SAFFIOTI: Is the \$6 million that has been allocated just a provisional amount? For example, if more than \$6 million is needed by people who meet the eligibility criteria, will the government spend more than that \$6 million?

Mr D.C. NALDER: The initial analysis suggests that \$6 million will be adequate, given the current situation with the number of licences that we have and particularly when we look at it on a relative basis with other jurisdictions. Our intent is that that is an adequate amount, but we really need to wait and see what comes in and to look at it. We need to be able to identify those who have been impacted by the reforms and to work through that process. We believe that it is an adequate number at this time. If we are proven wrong, at that point we will need to reconsider it.

Ms R. SAFFIOTI: Does the minister have a copy of the eligibility criteria and could he table those criteria?

Mr D.C. NALDER: What we have wanted to do is allow discretion at this time. This is a hardship fund and there may be circumstances that we have not considered. We have not wanted to have parameters that are too

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tight that would potentially rule out somebody who should be considered. It will be in the letter explaining it to people. It will encourage them to go online to apply and so forth. We will be providing pretty broad parameters, because we want to make sure that we do not rule out people who should otherwise be covered. We are not specifying that at this point. According to the additional notes that I have just been provided with, it will be based on social security thresholds. The qualification criteria will be whether people are being impacted. It is a hardship fund. It is looking at the impact on people's financial position—whether it is putting people in strife with bank repayments or in being able to meet a certain living standard. We are looking at using the social security thresholds as a base. As I have said, an independent process has been set up to assess this. We do not want the parameters to be too defined, because we want to make sure that we capture everyone who is impacted.

Ms R. SAFFIOTI: Does that mean that the minister will be looking at aspects such as the income that is generated by the particular plate owner in a given year?

Mr D.C. NALDER: Yes. From a financial hardship perspective, we need to ascertain and have some governance and some rules around that. We are looking initially at using the social security thresholds as the baseline for how we interpret that.

Mr W.J. JOHNSTON: What are the social security thresholds?

Mr D.C. NALDER: I do not have those figures at the top of my head at the moment. I used to know them off by heart in a previous role. Therefore, I would have to take that on notice if the member would really like to know, but it is public information that can be sourced.

Mr W.J. JOHNSTON: I do not want to delay the house, but I am trying to get a picture. Is the minister saying that it is the income limit under which people would otherwise be eligible for social security payments?

The ACTING SPEAKER (Mr P. Abetz): Before the minister responds, I am wondering whether that is germane to clause 2 or whether it should be dealt with further on in the bill, but I am happy for the minister to respond.

Mr D.C. NALDER: I will answer it now. There will basically be an income and assets test, and from there they will be assessed according to the eligibility criteria. It includes things such as dependants. We need to take into consideration an income and assets test to determine whether a person is eligible. As I have said, it is defining the hardship and making sure that we have something that can be substantiated.

Ms R. SAFFIOTI: I have a question about London cabs, which is a specific trial that the government initiated. Do London cabs fall under any of the provisions of this bill and under the hardship criteria?

Mr D.C. NALDER: No, they do not. They are all lease based; they are not privately owned. This is for privately-owned plates.

Ms R. SAFFIOTI: Given that the drivers of London cabs are paying up to \$20 000 a year to the provider of those cabs, is any analysis being undertaken of the financial hardship being experienced by London cab drivers?

Mr D.C. NALDER: No, we are not looking to pick them up in this bill. There have been discussions with a lot of London cab drivers and other people who are involved, and a lot of those have been dealt with in-house with the company. That is the advice that I am receiving.

Clause put and passed.

Clause 3 put and passed.

Clause 4: Section 17 amended —

Ms R. SAFFIOTI: What is the impact and significance of this clause?

Mr D.C. NALDER: The purpose of the amendment is to remove the five-plate cap. If there are people in the taxi industry who currently have five plates and are keen to step into the industry, we want to allow them to expand the number of plates that they have currently.

Ms R. SAFFIOTI: Does the minister believe that this would lead to greater corporatisation of the taxi industry, whereby major players may buy out some suffering individual plate owners or owners of a small number of plates?

Mr D.C. NALDER: This issue has been raised in earlier debates, and we are working with the Economic Regulation Authority around the ownership. We have flagged with the industry in the consultations that I have had that we would be looking to step in if a particular company did acquire a large number of taxi plates. We are relying on the ERA to provide information about what is a satisfactory number.

Mr W.J. JOHNSTON: Is the minister saying that the intention is to allow for corporate ownership? Is that what the minister is seeking to achieve?

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Mr D.C. NALDER: No, it is not what we are seeking to achieve. We are seeking to remove the restriction under which people can own only five plates. If people who are currently in the marketplace are happy to buy more than five plates because they believe they have opportunities, we do not want to restrict them to five plates. We want to ensure that if there is potential to increase demand, that can be facilitated. That is what this is about. I have asked the department to work with the ERA to put some parameters around that. There are consumer laws and safeguards that protect against monopolistic behaviour. I want to make sure that we articulate that clearly. We separately want to encourage either corporatisation or cooperatives. However, this is not necessarily designed to facilitate corporatisation. It is designed to remove the restriction and thereby enable people who are restricted at the moment to step in and help increase the demand in the industry.

Mr W.J. JOHNSTON: The minister has said that it is not intention of this clause to provide for the corporatisation of plates and that he intends to get the Economic Regulation Authority to consider this matter. As I understand it, this provision will come into effect on the same day as every other clause in the bill. Clause 2 provides that the rest of the act—that is, everything except sections 1 and 2—will come into operation on a day fixed by proclamation. Is the minister saying that this clause will be proclaimed on a day that is different from the day on which the rest of the clauses are proclaimed? The minister has said that he is waiting for the ERA to give him the advice that he is seeking. Therefore, the minister must be saying that this clause will not be proclaimed until after the minister has received that advice. If that is not the case, the removal of this clause would appear to allow for corporate ownership of taxi plates.

Mr D.C. NALDER: No. However, we are not looking to hold back corporatisation, either. We want to make sure that we do not end up with a monopolistic situation. We do not want that. The commonwealth Competition and Consumer Act provides a safeguard mechanism. We will also have the advice of the ERA. We have notified the different corporations and have said they if they wish to pursue a corporatisation of a percentage of the —

Mr W.J. Johnston: What corporations?

Mr D.C. NALDER: We have talked to a number of them, such as ComfortDelGro. Some existing operators of vehicles are acting as a cooperative and would like to consider different ways of operating. We have indicated to them that they need to continue to work alongside government, because if they go too far and want to buy a significant number of plates, we will be looking to pull them back.

At this point, this is really designed as a simple legislative change that allows and facilitates an increased opportunity, so if people are willing to step in, they can do so. We would like to see that increased demand opportunity to hopefully push up prices.

Ms R. SAFFIOTI: I am interested in the member for Cannington's specific question. What companies asked for removal of the "5"? It seems a bit strange. No-one asked for it?

Mr D.C. NALDER: No-one has asked for it. I have taken it on advice from the department when it was looking at a number of changes and what we will do in stages 1 and 2. The concern has been that some people are willing to, but they cannot actually buy because they are currently capped at five. Some have done them in different entities and all these sorts of things, but we do not see it as something that will create a problem at this time from a corporatisation aspect. But if people who are currently in the industry would like to expand beyond their current limit of five, it is a simple process that we can do. It is a simple change in the legislation right now. It is something that we believed was simpler to do right at this point in time.

Clause put and passed.

Clause 5: Section 24 amended —

Ms R. SAFFIOTI: I ask the minister for an explanation about this clause.

Mr D.C. NALDER: It is very similar to the previous one, but it actually allows the transfer of plates across. One was around the limitation; the other was around being able to transfer it. It is that second element. It is pretty much the same as the previous clause.

Clause put and passed.

New clause 5A —

Ms R. SAFFIOTI: I will move an amendment so the minister can have at least a few minutes, and I am sure the member for Cannington will back me up to give the minister more time. I move —

Page 2, after line 14 — To insert —

5A. Part 3AA inserted

After section 30I insert:

Part 3AA — Eligible owner taxi plates buy-back

30II. Buy-back agreements for taxi plates

The Director General may enter into an agreement, on such terms and conditions as the Minister approves, with a person who is an eligible owner of taxi plates for the payment to the person of an amount of compensation for the surrender and cancellation of the taxi plates that are the subject of the agreement.

The proposed amendment is not too prescriptive. I sought a lot of guidance from the Clerk of the house about this. It gives the minister the ability to start a voluntary buyback process. There are two issues about this and the whole issue of compensation. Does the minister believe the government needs a greater role, whether it be direct compensation or through a buyback, and how will it be funded? The opposition wants a voluntary buyback mechanism. It is something that even the member for South Perth put forward. How it is funded and the mechanisms put in place to fund it are subject to the minister's negotiations and analysis. The proposed amendment provides the minister with the ability to do it. I do not think it is out of the question. It does not rule anything in or not, but it gives the minister the ability to do so. We are not trying to be sneaky with the amounts or anything. It gives the minister the power to do so. We used some of the provisions in the existing act. It allows the minister to set up a mechanism to do so.

I have said on many occasions, as have members on the government side, and even the minister would admit, that it has been too long in coming. We are today debating just a transition payment that in essence should have been made available before the transition happened. We are now debating a \$20 000 payment. The minister has said that he is doing this urgently. The minister introduced this legislation in May. The opposition has been waiting for it; it has never held up this legislation. We have made an agreement to facilitate this legislation today. We have never tried to hinder the progress of this legislation because we wanted to make sure that we were active in the debate and putting forward ideas. We believe the minister has waited too long and acted too slowly. It has been two years. The minister is now offering a minor amount of assistance to transition when people have already been exposed to the costs of transition. They are already feeling the impact. The minister may say that something is technically not correct with this amendment. Fair enough—the minister can amend it over the weekend and bring it back, or he can have it looked at in the upper house. There are many ways to do this. I do not think this is out of the question. The proposed amendment supports what the minister's own backbench has said. It is not too prescriptive. It gives the minister some flexibility, but it kicks off the process.

The minister has told us that this is the first tranche and we have to wait until 30 November to see his plan. The state election is coming up. Whatever happens, it takes a couple of months for Parliament to resume. The delays will be enormous. We do not think that the minister has the ability to act—or he has not created the ability to act quickly enough. Honestly, I sought advice from the Clerk until about an hour ago to make sure this amendment was as sound as we could make it. We do not believe it is a tricky thing. Frankly, it is up-front. I will let the member for Cannington speak to the amendment, too. It provides the ability to have a voluntary buyback. It allows the minister to start that process. As I said, the minister may want the weekend to think about it. Do not knock it out of hand. We believe it is the right thing to do. It gives the minister the option to work on it.

Mr W.J. JOHNSTON: I would like to highlight what this does not do. The minister challenged the opposition during his reply to the second reading debate by asking, “What is your solution?” He said that his solution will be known in November. Let us understand that. The minister is saying that he wants to see the opposition's solution before the minister gives us the solution! That is actually the reverse of normal practice. Normally the government explains its agenda and the opposition replies to it. That is the ordinary practice. This proposed amendment allows the minister, when he comes back in November, to outline his plan and to implement that plan immediately, rather than him saying that he will wait until after the election before implementing his plan. That is all we are doing. We are not saying pay 7 000 people \$20 000 and we are not saying pay 7 000 people \$200 000. I must say that when the minister introduced this bill in May I thought that this was his plan, but today we find out that this is not his plan. This provision states that in November, when the minister has finally, after all these years, worked out exactly what he wants to do, he can implement his plan the moment he comes up with it. The moment the minister works out what it is that he wants to do, we want him to implement that plan immediately. We do not want him to delay his plan for one day after he works out what it is. The moment he works out what it is, he should implement it. This clause allows him to do that. It allows the minister to work it out—not me, not the member for West Swan and not even the member for Hillarys; just the minister sitting at the table. He can determine the provisions to buy back a plate. We are not specifying it. We are not telling the minister what to think; we are just saying think! That is all we are asking him to do. We are asking him to make a decision and to implement the decision that he makes. Let me make that clear: I am not telling the minister what to do. When he gets to November and, after all that time, finally works out what is a good thing, according

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to the Liberal Party and him as minister, he should implement it immediately. This clause allows him to do it. This clause allows the minister to do exactly what he promised to do in his second reading reply.

The minister accused the Labor Party of being political during his second reading reply. This is not a political clause. This is a clause that facilitates the minister's plan—whatever the plan is—and the moment he tells us what it is, and, in fact, the moment he works out what it is, he can implement it. He does not have to come back and ask the Labor Party's approval. He does not have to come back and ask the Parliament's approval. He does not have to do anything. Just get on and make a decision. As I said, when the minister introduced the Taxi Amendment Bill 2016 in May, I thought that that was his solution to the taxi problems that are being caused by the introduction of ride sharing. I thought that that is what it was and what I thought he said in his brief ministerial statement at the time and in the second reading speech. But apparently that was not correct. I am relaxed about that and I am not trying to make a political point about it; I am just making the point that this clause allows the minister to implement his own decision the moment he makes it, rather than it causing any further delay.

Ms J.M. FREEMAN: I, too, rise to support this amendment. I have enjoyed all of the contributions of the debate, but I support this amendment because it is particularly about giving flexibility to the minister to take into account the particular situations and circumstances of taxidrivens. I want to talk about a constituent in the area of Mirrabooka that I represent. He purchased restricted-area licences about six years ago for \$210 000. I understand that he will get compensation of only \$6 000, which absolutely does not give him capacity to be able afford those restricted licences. This amendment means that the minister can look at the circumstances in each case. I have heard of situations in which taxidrivens were told by the taxi plate owner they had been working for that they either had to buy the plates now or they will not have a job as the owner was going to do something else. Drivers felt they had no choice. The owners had an idea of what was coming. The taxidrivens felt that the government would do something and take some action. They kept listening and thinking that something would happen. They bought the plates in good faith with a view to sustain their livelihoods, financial independence and financial security, and now they are in a situation of having compensation that does not take in account their circumstances. This amendment gives the minister flexibility. The other Liberal members of Parliament stood up and said, "It is a difficult situation, and you know we have talked to them; we understand all these different things." This amendment gives those people a capacity to plead their cases to the minister in terms of particular circumstances of taxidrivens with their plates and the compensation required. It is an absolutely necessary amendment to make the bill fair, reasonable, flexible and capable of meeting the needs of taxidrivens in this state.

Ms R. SAFFIOTI: This should be no surprise to anyone. Obviously, the issue of a voluntary buyback has been discussed in the party room. Letters were sent by members of a committee to most members of Parliament and to the minister with some options, including not specifically but generally this one. I would be surprised if the minister came to Parliament without this type of option on the table and without considering it. As I said, this is not meant to be tying the minister up to any particular detail, but it gives the government the flexibility to get on with it. Honestly, there is no excuse that we are here in September debating transition assistance after Uber came into the marketplace in October 2014 and deregulation was announced in December 2015. Two months after it has been completely deregulated and people are struggling to make ends meet, we now start the process of assistance. This is not the right way of going about it. As I said, if the minister wants a weekend to think about it and come back with a better amendment, fair enough; we will accept that. If the minister wants to move a better amendment in the upper house, we will accept that and withdraw that amendment. But we want this amendment considered and we want this house to vote on it.

Mr R.F. JOHNSON: I have just seen the amendment, and I agree with the comments made so far. Up to now, we have been discussing, not on this amendment, the payment of adjustment assistant grants. That is the \$20 000 for the unrestricted licences and \$6 000 for the restricted taxi plates. This amendment deals with some of the areas that government members have brought up. The members for South Perth and Carine have said that they really want to do something for taxidrivens—the owners in particular. I do not want to see them in a situation in which their homes are being foreclosed on by the banks because they simply cannot make enough money. What we are looking at here with the adjustment assistant grant is if they are reduced to going to Centrelink to ask for some social welfare payments, that is when they will be assessed for those adjustment assistant grants. This amendment outlines a buyback scheme. I would have thought everybody wanted that—everybody. I think the member for South Perth wanted that; I think the member for Carine wanted that. They are not looking my way so I do not know whether they are going to say yes or no. As I understand it, they are asking for something that would help the taxi plate owners with a buyback assistance system.

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Mr A. Krsticevic: It does not actually have to be buyback, but I still think that they can still keep their plates in the future and that the assistance package can be increased through the levy, raising additional funds, because I still think the industry is viable and a lot of them still want to stay in the industry.

Mr R.F. JOHNSON: There is nothing along those lines that is in the bill that we are looking at today. The amendment moved by the member for West Swan is very reasonable. When I was the minister, I would have loved to have had the authority to make decisions like this—I really would—without having to go to cabinet, without having to get the emperor's permission and all the rest of it, or even going through the departments. It would be a wonderful position to be in—to have authority from Parliament to make a decision that will help a huge number of people in our community. This is a very good amendment put forward. It does not constrict in any way the minister to a limited amount. It gives him the opportunity to look more closely at this. We are talking about bringing this back in November. We have six sitting days in November. That is all. There will be a stack of other legislation on the notice paper and other stuff will be brought in that certain ministers will want to get on the notice paper and hopefully debated before we rise before the next election. We have six sitting days in November. I do not think that that is enough time to simply bring that back then and expect this Parliament, this house, to approve something that the minister may want to come up with. This amendment gives him the authority, the opportunity, to come up with something that he thinks is fair. I have got faith in this minister; he is a very reasonable person. If he can convince the Premier and Treasurer, that is fine. They are the stumbling block, let me tell members. Our debt is going up by \$15 million every single day. I do not know whether members realise that—every single day the state debt is going up \$15 million—yet here we are arguing over really just a few million dollars to help out our taxi owners. It is time that we actually help them. We should not be here to hinder them; we should be here to help them. This amendment will certainly give the minister the opportunity to do that. I believe that the minister should stop and think about this. The member for West Swan made a good point, and I agree with her. Let us not rush this through today. Let us come back on Tuesday. Let the minister have time to think about this amendment, and if he wants to come back with something else on Tuesday along these lines or something that is better or almost as good, I would be more than happy to listen to reason. But what is before the house at the moment without this amendment, is nowhere near adequate to satisfy and assist our taxi plate owners. It is not enough to assist them, and they need assistance. People in my electorate are looking to lose their homes. Young families with young children are looking at losing their homes, because of the way that the industry has gone down, because of the unfair competition that has come in. I urge the minister to either accept this amendment or defer it and come back on Tuesday with something that is equally as good, almost as good or even better.

[Interruption from the gallery.]

The ACTING SPEAKER (Mr P. Abetz): Taxidriver, I appreciate your interest in this matter but you have been reminded a number of times today that you are not allowed to make any noise. If you persist, I will have to ask security to remove you all from the chamber. I welcome your presence but please do not clap; that is not appropriate in this forum. Thank you.

Mr D.C. NALDER: I would like to make a few points in response to what has been said. As I said in response to the second reading debate, we do not like to see anyone hurting through this period of reform. We are trying to do things as quickly as possible. Other jurisdictions such as New South Wales brought out the concept of the levy but it still has not worked out how to do it. No-one has worked out how to do it. NSW announced it before we indicated we wanted to consider it. One of the issues is the funding mechanism for this reform. We do not have adequate funds at this point in time to underpin that activity. Although comments have been made that we have taken a long time because this was tabled in May, this is the ninth day of sitting since May. Although it may be considered a long time —

Ms R. Saffioti: No; it's not.

Mr D.C. NALDER: Since the last day of sitting, before the winter recess, we are in our third week.

Mr W.J. Johnston: It's not since May; we sat all through June.

Mr D.C. NALDER: Sorry; I take that back.

Several members interjected.

Mr D.C. NALDER: Since the winter recess, when we said we would get on with this, there have been nine days of sitting, so we have not mucked around since the winter recess in getting to this Taxi Amendment Bill. Although it might sound like a long time, the bill has been sitting there since May. Why, if members opposite are really serious about this issue, have I had these amendments for five minutes? Why were they sitting down with the Clerk only a couple of minutes ago to try to work out whether we could do this?

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Mr W.J. Johnston: We don't have hundreds of public servants to write stuff for us.

Mr D.C. NALDER: If there had been consideration of this over a long time, I would have thought the prudent thing to do would be to engage with me and my office to give it some serious consideration.

Ms J.M. Freeman interjected.

The ACTING SPEAKER: Member for Mirrabooka, you do not have the call, sorry.

Ms J.M. Freeman interjected.

The ACTING SPEAKER: Member for Mirrabooka, I call you for the first time. We need to have some order in the place.

Mr D.C. NALDER: I think the member might need to hear everything I have to say because it will put the matter into context. The principle of this amendment sounds simple, but it exists in the Taxi Act 1994 for the multipurpose taxi class. It is covered in seven pages and eight clauses and achieves the same outcome. The opposition is seeking to include a simple paragraph like this and achieve what is under division 3 part 3 of the Taxi Act 1994 for the multipurpose taxi plate buyback. The opposition is trying to achieve what is in eight clauses over seven pages of legislation. To achieve the same outcome with four and a half lines would be very difficult. I add also that a buyback is one of the proposals we are considering at this time. We are trying to define whether it is the best choice or whether others would be simpler and easier to implement. We are trying to finalise a policy that is under consideration right now so that it can be converted into a bill and be part of the major transformation of the Taxi Act. The bill before us provides a simple process to allow us to access the funds sitting in a pool right now and distribute them to people as quickly as possible. From tomorrow, every owner of a taxi plate will be sent a letter advising them how to apply for and access the hardship fund. We need to get that done as quickly as possible. I do not want to delay this any longer than we have to. We have acknowledged there has been a greater downturn in taxi fares this year and that Western Australia is facing an impact that is not being faced by other states, in that our economy is in a tougher position than those of other states and that is leading to a reduction.

Mr J.E. McGRATH: I would like to hear the minister continue his explanation.

Mr D.C. NALDER: Thank you, member for South Perth.

We would like to make sure we get these results. Would I like to introduce the full legislative changes as quickly as possible? Yes, I would. Would I like to have done it before now? Yes, I would. I do not disagree that we all would have liked that. But we are required to make major changes to the legislation. It needs to be considered carefully. We need to bring other elements into the legislation. This part needs a lot more consideration than it has been given. As I have said, section 30A of the Taxi Act contains the provisions that are in the amendment but it is over seven pages and eight clauses. We would therefore find it difficult to support this amendment at this point in time. However, as I said, it is a policy consideration that is underway now. Processes are in place to fully evaluate that and we are looking to finalise that and ensure it is in tranche two of the legislation before the end of this year.

Ms R. SAFFIOTI: I want to take issue with some comments. The minister said that we have been tardy. He announced these reforms in December last year. He has had eight months and has the support of thousands of public servants and he could not bring in legislation that contemplated a buyback. As the minister said, there is existing legislation. He has entire departments at his disposal and he has brought in legislation that will allow the provision of \$20 000 and remove the capacity for a five-plate cap. That is all he has done. The minister announced these reforms on 18 December, and we are debating in September a piece of legislation that he could have developed in a week. It has been eight months and we have heard about the backbench raising the issue with the minister and having multiple meetings. He was talking to his backbench, holding party room meetings and contemplating this and that. A voluntary buyback was discussed. We are here now and the minister does not have a provision to facilitate that. If the minister thinks it needs more work, we will come back and debate it on Tuesday. If he wants to replicate the seven pages of the act under the MPT provisions, we will support it. But do not come in here in September, after announcing it in December 2015, with simple legislation that could have been drawn up in a week. As I said, apparently all the backbench have had detailed discussions with the minister on these issues, so why does he not have some options? It is not good enough. There is an election in six months. The minister said that he will bring in legislation in November when the house will sit for six days. On 30 November, he will leave peoples' lives in limbo for years. By the time this is dealt with, it will be three years since the government allowed Uber to operate. By the time this is dealt with, it will be over a year and a half since he announced the reform. If he thinks he can do better—I have no doubt with all the department's resources he could do better—we will come back on Tuesday and let him do better and we will debate it, support

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it and pass it as soon as possible, but do not reject the whole idea because this will give the government the flexibility to start the process before the end of the year, otherwise he will not be able to do anything. He will keep peoples' lives in limbo for more years and more months. I do not think anyone deserves this. People want certainty and they want it now.

[Interruption from the gallery.]

The ACTING SPEAKER (Mr P. Abetz): Taxidivers, I do not want to have to evict you, but if you continue this conduct I will have no choice. It is the standing orders of this Parliament and I expect you to adhere to them.

Mr J.E. McGRATH: Can the minister clarify the situation with the act? Does it already have something in place?

Several members interjected.

Mr J.E. McGRATH: I think the minister has already outlined that there is something in the existing act that covers what the opposition is moving.

Several members interjected.

The ACTING SPEAKER: I am giving the minister the call because we have had two lots of questions, and I think it is appropriate. You can be next, member for Hillarys.

Mr D.C. NALDER: I am responding to both questions. The Taxi Act includes "Multi-purpose taxi plates buy-back", if that is what the member is referring to.

Mr J.E. McGrath: Yes.

Mr D.C. NALDER: Basically, that provides for a similar situation, but the advice I have is that it is not as simple as just installing the wording contained in the amendment. The same section in the current Taxi Act covers seven pages, with eight sections. This issue requires greater consideration than the opposition has suggested. I am answering both questions on this. The government has that under consideration now, but it will be done as part of the second tranche. We do not want to hold up this bill. We want to get out this \$20 000 payment. Members opposite are wondering what I am looking at because I can see them frowning; on this side I can see nodding heads. I am saying that this is one of the things we are considering, but to do it effectively requires a lot more than the opposition has suggested at this point in time. The opposition says that this is taking too long. As I pointed out before we started consideration in detail, last year I was criticised for not putting things on the table and giving people a direction before we got the information and the work done. Now I am being criticised because I gave information earlier and then had to get the work done. Whereas a year ago I was being criticised because I should have at least told people and given them an indication of where we were going.

Several members interjected.

Mr D.C. NALDER: I am just stating a fact. I understand the politics of it. Right now we have to get this through as quickly as possible. It has to go to the upper house. If we hold the bill back here, we will delay when it can be heard in the upper house and when we can get the payments out. The government does not want to do that. It wants to get that money out as quickly as possible. We then want to work through this over the next eight weeks to finalise all the things we are working on. It is not just a payment to them; it is making sure that we create a level playing field and that we have the teeth to bring under the regulations on-demand transport, dispatch services and all these sorts of things. A big body of work is going on. This requires greater consideration as part of that larger body of work that is underway. The government acknowledges that it wants to do more than it is currently doing. When the government made the decision about the initial outcome, it anticipated monitoring the impact on the industry. We saw in 2015 that the number of taxi fares had declined by 15 per cent. The government removed 20 per cent of licences out of the market; no other jurisdiction could do that. We saw that the payment we would be making would assist with the transition whilst they changed their business practice and understand that the value of a business will be not in a discrete licence, but in the quality of customer proposition and the quality of the business they run. What we have seen since January is a further erosion of taxi fares. We know that a large element of that is economy and that an element is the reforms. We are saying that in the transition, because of the state of our economy, we need to provide greater support to the industry. We know that the future is bright and that the growth prospects for Perth and Western Australia are very strong, but we face economic headwinds at the time we are doing this transition. We need to consider that properly and make sure that we get it done properly as part of the broader body of work that is happening with changes to the legislation. I would dearly have loved to finalise it all this year. I have said in this house, and I have said it for some time, that the reality of getting this bill through, considering what is on the legislative agenda, was near-on impossible, and I would say it is impossible now, but we still want to make the government's intention clear to people. I am

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happy for that to become a future debate, but I want to make sure that people get that payment as quickly as possible; we want to get that \$20 000 a licence out as quickly as possible, and get this legislation passed.

Mr R.F. JOHNSON: I do not discount anything of what the minister just said, but all this bill before the house will do is give adjustment assistance grants to taxidriviers very, very quickly. There is nothing to stop that happening if this bill is passed today. The government can do that and send the payments out on Monday, or whenever.

The ACTING SPEAKER (Mr P. Abetz): Do you mean the amendment, member?

Mr R.F. JOHNSON: I am talking about the assistance grants.

The ACTING SPEAKER: We are talking about the amendment.

Mr R.F. JOHNSON: I am coming to that, Mr Acting Speaker.

I say to the minister that this amendment does nothing to curb the assistance grants going out tomorrow, if that is his wish. The amendment gives the minister the authority from this chamber to do whatever he likes. It states —

The Director General may enter into an agreement, on such terms and conditions as the Minister approves ...

If the minister does not approve it, that is his decision, but he can approve it. If we take the minister at his word—I would like to do that; I really would, because I think he is a man of his word—there is nothing wrong in accepting this amendment. It gives the taxi owners some hope that there will be some sort of buyback scheme. We did that for milk vendors, certain fishermen and the potato growers. We gave them all a buyback scheme, basically. What we are doing today is purely to enable the payment of an assistance grant. There are a lot of taxidriviers who are on the bones of their backsides at this stage; they are not doing very well and there are some who could lose their homes. This bill will stave off that situation for perhaps six months, if we are lucky. But this amendment will give the minister the authority to immediately look at a buyback system, which is what the member for South Perth intimated he wanted, and what the member for Carine said he thought was a good idea, and what members on this side of the chamber, including me, think is an excellent idea. We need to help the taxi owners. They need to see from this chamber that we are honest and we will do what we say we will do. This simple amendment will do that. It will show the people who are interested in this subject today that we mean what we say and we will carry that through.

If the minister wants to accept this amendment, he can alter it if he wants to; I do not see that as a problem. It is such a simple amendment that I really do not see why he would want to alter it. The minister does not have to act on the amendment if he does not want to, but it will give him the authority to move one way or the other. He can look at it.

The government can sit more weeks if it wants to. We sit for six days in November; we are getting up in the middle of November. We used to sit until the middle of December when I first joined this house 24 years ago. We used to earn our money then. We would sit until the middle of December. Now, the government wants to go home in the middle of November. That is disgraceful when the government has important legislation it needs to deal with. To me, this is very important legislation. We should not be leaving this chamber in the middle of November until we have done this justice. We are not doing this issue justice today. We will do it some justice if we accept the member for West Swan's amendment. I urge members to do that. I urge the minister to do it as well. The minister can accept the amendment and we can pass this bill today. The minister can go away and send out assistance funds to those taxidriviers and those taxi owners who desperately need some assistance. The minister would at least give the rest of them some hope that there would be some form of buyback scheme. That is what they want, and what I think members on the government side of the chamber also want. It is wrong for the government to take \$200 000 from people for a taxi licence and then renege on that and make it worthless, and simply say, "Well, if you get into real hardship, we will give you 20 grand, but don't come back and ask for any more after that!" I know that people in my electorate would love to sell their taxi plates back to the government and get their money back, pay off the loans they have taken out on their homes and get on with things, perhaps in a different industry. We must treat these people fairly. We must not treat them unfairly.

Ms J.M. FREEMAN: To prevent myself getting called, I will tell the Minister for Transport what ministers who take on leadership issues do. I will tell him about the experience we had with the Public Health Bill. It was a very important bill, and many people were interested in those issues. The bill had some major amendments. The minister at the time, Hon Kim Hames, was able to take those amendments, and the advisers were able to speak to the amendments and make a determination. We were able to make amendments to the bill that built and improve the bill, and took into consideration the community it was supposed to deliver to. That is what a minister who is doing their job does. The Public Health Bill had been around for years, and the amendments often came on the same day as a result of discussions about how the bill could be improved, and they were

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debated and passed. If they did not have the technical precision, that was fixed in the other place, and came back to us and was accepted. They were fixed to make it a good piece of legislation.

As the members for West Swan, Hillarys and Cannington have said, this buyback agreement addresses the concerns of many in the taxi industry. This is not a binding situation for the minister; this is about giving him flexibility. The minister should just show some leadership and say to his advisers that we are going to make this work, because this is what the taxi industry wants to see us do. He should want to be a leader in this area, and stop making excuses for the delays. He should stop saying, “I really mean well; please let me do this”, and show that he means what he is saying. He can show that by accepting this amendment, which gives him the flexibility. It does not hold him to it, but it gives him flexibility to take into account the case that I raised of this constituent. He bought a restricted area licence six years ago for \$210 000. There is no way that a compensation payment of \$6 000 will give him the financial security he needs. He needs the capacity to take his circumstances to the minister to ask for a buyback agreement, and the minister needs to be able to consider that as well. That is what this amendment does.

I have seen that happen in this place; it is not impossible. I moved an amendment when the then Minister for Planning, the Leader of the House, brought in legislation for development assessment panels. I put up a hand-written amendment from the floor, and it got through.

Mr P.T. Miles: Woo hoo!

Ms J.M. FREEMAN: Yes, woo hoo! I am saying that I am nothing special; I am ordinary. The minister is the man who is supposed to lead. He is paid the big bucks to lead, and we are saying he should give himself the flexibility, keep good faith with the community, show that he means what he is saying, and deliver to the community.

Mr D.C. NALDER: The amendment moved by the member for West Swan is simply section 30B(1) of the Taxi Act, word for word, referring to multipurpose taxis. There is so much more that requires consideration in this matter. This is a last-minute consideration; it has not been thought through properly. As I have said, the government wants to get this payment out to people as quickly as possible. All the other aspects that are going to slow down this initial payment will be put into the second tranche of reforms, where we are doing the major reforms, and that includes looking at ways—I have explained this over and again—of getting a greater amount of money out to taxi operators. It is as simple as that, but it will require us to have a funding mechanism, and we do not have that today. If this type of power is provided, it is expected that it would be used; Parliament expects it to be used. That means if this amendment goes through, a taxi plate owner can make an application even though we are not necessarily ready to take it. A lot more work is required on this, and we have said we are undertaking that work. We want to make sure that we look after people effectively. We want to get this initial payment to them as quickly as possible, and we need it to go through the houses. We all agree that it has been tough out there for them. We need to get payment through as quickly as possible, and that is why we are standing by the bill that we have before the house and not accepting any amendments at this point.

Division

New clause put and a division taken, the Acting Speaker (Mr P. Abetz) casting his vote with the noes, with the following result —

Ayes (16)

Ms L.L. Baker	Ms J.M. Freeman	Mr F.M. Logan	Mr J.R. Quigley
Dr A.D. Buti	Mr R.F. Johnson	Mr M. McGowan	Ms R. Saffioti
Mr R.H. Cook	Mr W.J. Johnston	Ms S.F. McGurk	Mr P.C. Tinley
Ms J. Farrer	Mr D.J. Kelly	Mr M.P. Murray	Mr D.A. Templeman (<i>Teller</i>)

Noes (31)

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

Dr Tony Buti; Mr John McGrath; Mr Tony Krsticevic; Mr Dean Nalder; Ms Rita Saffioti; Mr Bill Johnston; Ms Janine Freeman; Mr Rob Johnson; Mr David Templeman

Pairs

Ms M.M. Quirk
Mr B.S. Wyatt
Mr C.J. Tallentire
Mr P.B. Watson
Mrs M.H. Roberts

Dr G.G. Jacobs
Mrs L.M. Harvey
Mr T.K. Waldron
Mr W.R. Marmion
Mr V.A. Catania

New clause thus negated.

Clause 6: Part 3A inserted —

Mr W.J. JOHNSTON: My colleague the member for West Swan will have more questions, but I want to ask some questions. We are dealing with the adjustment assistance grants provision, and I want to know whether this is the limit of the adjustments that will be granted to taxidriviers.

Mr D.C. NALDER: Yes. It will be a one-off \$20 000 payment at this point in time. As I said, there will be other measures. Under this assistance grant, \$20 000 will be the cap per licence, but it will not be restricted to the number of licences as in other jurisdictions.

Mr W.J. JOHNSTON: What other assistance grants will be available for taxidriviers?

Mr D.C. NALDER: We have just spent a long time talking about why we are working through this. Due to the further downturn and erosion in the economy and in the number of fares this year, we will consider introducing another scheme to potentially allow for a levy and buybacks or other types of schemes. I look forward to being able to share that with the broader community very soon.

Mr D.A. TEMPLEMAN: During the second reading stage I highlighted the concerns of Mandurah Taxis with their lack of access to the scheme. I would like a response to that.

Mr D.C. NALDER: The member must have missed my response that detailed that during my reply to the second reading debate. We have held around 70 meetings with the Mandurah Taxis to discuss what will occur there. That company is considered to operate in a regional area. How that company entered the market and got access to plates through expressions of interest was different from what occurred in the metropolitan region. At the same time there has been an open discussion conceptually about whether or not they should be considered part of the metropolitan region or whether they should remain part of the regional area, which prevents other taxis entering the market and taking fares from that company's space, and vice versa. They have been very productive discussions. A decision has not been made either way. It has been more about consulting and working through the matter to reach a common understanding. As I said, at this point, because of the nature of the Mandurah market and the way those drivers have accessed plates et cetera, drivers for Mandurah Taxis will not be considered eligible for compensation like metropolitan drivers are. If they were to become part of the metropolitan area, that may be reconsidered, and that is part of the discussion we have had with them today.

Mr D.A. TEMPLEMAN: Does that mean that at this stage drivers for Mandurah Taxis will not be considered to be eligible for this compensation package unless they opt to be included in the metropolitan taxi scheme? Is that what the minister is saying? Is there any capacity for Mandurah Taxis to maintain its country status but be eligible for the current scheme on offer?

Mr D.C. NALDER: We are saying that we need to consider that Mandurah is potentially different from other regional areas because it is now pretty much part of the inbuilt suburban area of the metropolitan area. We have discussed with Mandurah Taxis what that would look like, and those discussions are continuing. At this point in time, as regional players, drivers for Mandurah Taxis will not have access to the \$20 000 payments. However, as part of tranche 2, that will be considered. We want to work with them on whether Mandurah Taxis will remain as a separate entity and to be treated separately or whether it should be incorporated into the metropolitan system. At the same time, whilst they do not have access to that, we have given them access to the Small Business Development Corporation because they are facing the same competitive pressures as metropolitan companies are facing, but their drivers have not made the same payments that metropolitan taxi plate holders have made. That is why they are not in there at the moment, but it is something that we have indicated we are prepared to consider as part of phase 2. We want to work closely with them and it will require further consideration by both parties at this point.

Ms R. SAFFIOTI: How many eligible owners will the minister be writing to about the hardship fund? How many actual owners are there?

Mr D.C. NALDER: There are 1 035 plates. I was going to say 1 035, but because some are multiple, it is less than that. There are 868 owners for 1 035 plates.

Extract from Hansard

[ASSEMBLY — Thursday, 8 September 2016]

p5721b-5749a

Dr Tony Buti; Mr John McGrath; Mr Tony Krsticevic; Mr Dean Nalder; Ms Rita Saffioti; Mr Bill Johnston; Ms Janine Freeman; Mr Rob Johnson; Mr David Templeman

Ms R. SAFFIOTI: How many of those owners have approached the Small Business Development Corporation or other government agencies to seek advice and assistance?

Mr D.C. NALDER: We have not been provided actual numbers; all we have are anecdotal numbers. Apparently information about who approaches SBDC for training and assistance is confidential, but there is anecdotal evidence that a number of taxi plate owners have approached SBDC. I cannot provide a specific number.

Ms R. SAFFIOTI: Can the minister tell us exactly how the minister arrived at the figure of \$20 000?

Mr D.C. NALDER: As I said in my reply to the second reading, the \$20 000 was never about determining that as the value of a plate. It has been determined as an adequate amount to support taxidriviers through a transitional process through the reform. We have acknowledged, and I have also said this in this house, that we have seen a greater erosion in the number of fares this year; therefore, given the time that it will take from a transition, we want to revisit that and look to another scheme. In so doing, we need to determine funding mechanisms for that.

Ms R. SAFFIOTI: When was the \$20 000 figure conceived?

Mr D.C. NALDER: I would need to come back to really quantify that. I understand it was when we announced it in December last year.

Ms R. SAFFIOTI: What I am getting at is that \$20 000 is not appropriate or enough. I think it was conceived early when the minister thought he would have legislation—tranche 1, let us say—through by 30 June, and he would have the second tranche into the Parliament by the end of this year. It was probably there to cover a few months' transition. It is now clear that this \$20 000 is not only meant to reflect the past two months but also to cover probably at least another 10 or 12 months. The minister has said that \$20 000 is not enough and his backbenchers have told him that \$20 000 is not enough, but there will not be another amount until after the election because the legislation does not provide for a further buyback; there are no other powers. People are going to suffer for another 10 or 12 months; the minister has admitted that \$20 000 is not enough for an adjustment or compensation mechanism. That is the point. I think when it was conceived it was going to be the intermediate step—a step to cover a few months while we got the proper big round of legislation ready. It is clear now that this payment is the only thing that will be available to taxidriviers until probably July, August or October next year. That is the fundamental problem with this figure. When it was conceived, it was probably appropriate for a few months, but now it is not enough because the legislation has been delayed and the second tranche will not be through until post the state election.

Mr D.C. NALDER: No, that is not true. I shared in this house—I tabled the report—that when we looked at the 2015 data to understand what was going on in the industry, it showed that the number of fares in the taxi industry in the metropolitan area had reduced by 15 per cent. We had removed 20 per cent of the taxi plates out of the marketplace. From the impact of what was occurring in the industry, we did not see the need to necessarily support people because that should have indicated that there was enough opportunity for people to continue to operate. In the first quarter of this year, we saw another substantial decrease. That raised concerns as to why that was occurring. We thought that looking across that 12-month period would give us a good understanding of what was happening. What we also saw was that people would need to adjust and that there would be competitive pressures. The transition period was always going to be a good two to three years or even longer—four to five years. This transition amount was really designed to help people through that period of adjusting their business practices to be more focused on building their brand and recognition for the quality delivery of customer service. When we looked at it, it had nothing to do with the impact on taxi fares and what was occurring in the market, but we have seen further erosion, which meant that the impact was bigger than the 20 per cent of taxis that we removed from the marketplace. That is why we are looking at other measures to try to support them. We acknowledge that it is tougher out there at the moment than was envisaged. It is fair to say that we did not envisage the economy going where it has gone. We did not forecast that taxi fares would drop by the number that they have dropped in 2016. Everything was set up based on what had happened in 2015. We now have more relevant data of what is occurring today. We have acknowledged that we need to provide further assistance to taxi plate holders, and that is what we are endeavouring to do.

Mr W.J. JOHNSTON: I am surprised by that contribution from the minister. As I understand it, the minister is a former banker and he would understand something that is much more fundamental. There are two issues involved in this matter. The first is the issue that the minister addressed, which is the income of each individual driver and participant in the industry. The second issue, which is not related to the income of owners, is the asset value of their investment. The problem here is that we have devalued the asset value of their investment. That is what needs to be compensated. It beggars belief that a former banker does not understand the difference between asset value and income, because they are separate issues. Let us understand what has happened here. I explained

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in my contribution to the second reading debate that a particular gentleman had moved to Australia from Malaysia and had borrowed \$300 000 to buy his plate. Now that the value of the plate has collapsed, the bank has gone back to him and has said that he does not have adequate asset backing for his borrowings and that he has to repay the loan. His mortgage is part of the loan, so he will lose his house. That is the problem we are trying to address. The minister is talking about an adjustment payment to keep people in the industry because their income is doing this and that. Who cares? That is an important issue—I do not want to say “who cares?”—but that is not the real problem. The real problem is that the asset value has collapsed. The minister is a banker; he knows that. If, when he worked at the ANZ bank, a client of his had had their asset value massively reduced, he would have called that in. That is what he would have done, because that is what bankers do. Banking is a zero-risk game. Banks lend money because they have asset backing for it. If the asset falls below asset value, they call in the loan. That is what they do. That is what is happening right now to taxi plate owners in the industry. It is not some theoretical or political statement; it is just a fact. There are people in the gallery right now watching the minister who are in the exact position that I have outlined. Look up there. They are looking at the minister right now.

[Interruption from the gallery.]

Mr W.J. JOHNSTON: Do not clap! That is exactly what has happened. They are being asked by their bank how they are going to repay their debt—they are being asked that right now. As I explained in my contribution to the second reading debate, \$20 000 will cover them for 10 months of loan repayments. That man looked me in the eye in my office and asked, “What is the minister’s plan for the end of that 10 months?” The minister said that he will deliver his plan in November. What is it? What is that plan? Why can he not tell us? Two years after the Liberal Party conference passed a resolution that it was going to support the introduction of Uber in Western Australia—remember, that was the Liberal Party conference where Uber gave free trips to and from the conference for delegates attending the conference —

Ms R. Saffioti: Really?

Mr W.J. JOHNSTON: Yes. What is going to happen to my constituent who is being told by the bank that he does not have adequate asset coverage for his loan and that he needs to repay the loan? The \$20 000 does not get him out of that, because the asset value of his plate has collapsed. That is the issue. The minister is talking about income. That is a very important issue—if I get some more time, I will explain that—but that is not the real issue. The real issue is that we have ordinary working folk in this state, many of them migrants, who have their houses on the line on the basis of the asset value of a regulated plate. When they paid \$300 000 for the plate, they gave the government \$17 000 in fees, including \$10 000 in stamp duty. That asset value is now effectively zero. That is not being addressed. At some point the minister has to tell us what his plan is, not just for the income component but also the asset value component.

Mr D.C. NALDER: I really appreciated a lecture on banking from the member for Cannington. He is a very smart guy.

Mr W.J. Johnston: I’m a high school dropout.

Mr D.C. NALDER: He is a very smart man. He would also understand that asset values are actually determined from income streams. That is how banks assess it. I understand that change is occurring in the industry. I acknowledge that we have a period where we have gone from an asset class where the value was determined by scarcity of supply and a regulated market. I get all of that. We have not changed the income stream. It is ultimately the income stream that drives the asset value.

Mr W.J. Johnston interjected.

Mr D.C. NALDER: Listen to me. We have to go through a transition. It will no longer be that every plate will be worth the same amount. The ones that deliver a better quality customer service will have plates that are worth more than the ones who just continue to operate the way they have always operated. That is the transition as the industry changes. What we have to do is to pick up the pieces of what is in between. We have assessed it on the data that is available. That data showed that the actual number of taxi fares reduced by 15 per cent over 2015. We withdrew 20 per cent of the taxis from the marketplace, so the ability to continue to earn income to meet mortgage payments still exists. But what we have seen this year is a further erosion of that. It was pretty flat through 2015, but in the first quarter of 2016 there was another serious drop. We acknowledge that that is creating greater pressure. We are trying to work through that. We cannot just go out and grab another 400 or 600 plates. We are looking at a number of different issues and at how we can achieve a fair environment for them. We are working through that process. We do not want to hold up getting this \$20 000 payment to them as quickly as we can once the bill goes through this house and the next house. The member and I both know that the bill has to sit for a period between the houses. I want to get it through so that I can get the money straight out.

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We have the funds sitting there. We need the legal mechanism to allow us to give them that money now whilst we continue to work on it. The member for Cannington is saying that that \$20 000 will last for only 10 months. I am saying that I want to get that \$20 000 to taxidriviers as quickly as possible while we work through the right model that we should adopt. We have seen this additional change and erosion in our economy. I am saying that not all of what is happening in the taxi industry is because of the taxi reform. The change in the economy is responsible for a large proportion of the drop in demand. I have been told anecdotally that in the small charter vehicle market there has been a 70 to 75 per cent reduction in what is coming through from the airport. There is an impact right across the economy.

If we strip out the reforms, we are not here to necessarily pick up when there is a downturn in the economy and a business is impacted. Businesses are struggling because of the downturn in the economy. We are saying that reform is taking place. We want to recognise the downturn in the economy and provide an amount of money so that taxidriviers can survive during this transitional period. I am hopeful that the economy will turn around soon and taxidriviers will benefit from increased fares and get a bonus at the end of the day. Therefore, when the member talks to me about asset values and income values, trust me—I do know how it works.

Mr W.J. Johnston: You're wrong.

Mr D.C. NALDER: I am not wrong. The asset value is derived from the income.

Mr W.J. JOHNSTON: What a silly contribution! The minister forgets that the reason the asset value was high is because the market was regulated. The moment the government got rid of the regulation, the asset value fell. The value of a taxi plate was never driven by the income generated from the plate. It was driven by the future value of the plate. Everybody knows that. That is the whole point of the damn regulation. The asset value had nothing to do with the number of trips taken. The asset value fell because the regulation was removed. There was a scarcity value—that is the economic term for it. The number of plates was restricted, and that pushed up their value. That is exactly what the Liberal Party said in 2005 when it opposed a taxi plate buyback. The Liberal Party came into this chamber and voted against it. In fact, when Alannah MacTiernan introduced leased plates, the Liberal Party came into this chamber and voted against the legislation. The Liberal Party said at the time that the reason it voted against the legislation was that it would increase the number of taxi plates and thereby reduce the scarcity value of those plates. The Premier was part of that. The honourable Minister for Health was part of that. Sadly, the member for Hillarys cannot run away from the history. They all did it.

The minister's assessment of what is happening is not true. It is wrong. There was a scarcity value. What happened is that the moment the government got rid of the scarcity value of a taxi plate, the value fell. It had to fall. That is what the deregulation did. The minister should read the Productivity Commission report from the 1980s. The minister should look at the assessment of what happened in New Zealand when it deregulated its taxi industry. That is what the whole argument was about. The minister should read the ERA report that was commissioned by the former Minister for Transport. Those reports make it clear that what was holding up the value of the taxi plate was the regulation. The regulation created a higher value for the plate. The extra fees for taxi travel went to the owner of the plate, not the drivers. What the minister has put is a ridiculous argument. It is saying that the drivers were the ones who were benefiting from the scarcity of plates. That is not true.

Mr D.C. Nalder: I did not say that.

Mr W.J. JOHNSTON: That is the implication. If the minister is saying that the value of a taxi plate was driven by the amount of income that drivers received, all the taxidriviers would be living in Cottesloe. It is ridiculous, minister. The value goes to the plate owners. I am sure there are many times when members have taken a taxi and the driver has said they do not own the plate but are paying for a lease. All the value went to the plate owners. That is what pushed up the value of the taxi plate. That is why nobody wanted to be a taxidriver, because they could not get any money out of it. They worked for 12 hours and went home with 200 bucks! What the minister has said is not true. The minister's position is wrong. What happened is that the value of the plate was in the restriction in the numbers. The moment the government deregulated the number of taxis, the value of the plate fell. We all know that. That is exactly what the Productivity Commission said. It is exactly what the Economic Regulation Authority said. It is exactly what happened in New Zealand. Everybody knows that. It is not as though I am a genius. I am a high school dropout. That is what the Minister for Energy tried to say today. I am not an educated man. I am just an ordinary guy. Yet, I read stuff. I do not have 100 000 bureaucrats working for me, as the minister does. That is how many public servants there are. I do not have 100 000 people telling me what to say. I just read stuff. I read that, and I know what it says. Everybody knew that it was not the taxi charges that drove the price of the plates. It was the scarcity value. There was a scarcity value because the number of plates was restricted. The value of the plates has now collapsed, because all the Uber cars are effectively taxis—they just do not need to have the plate. That is what has forced the value down. That is why my constituents and every other member's constituents are in trouble.

Dr Tony Buti; Mr John McGrath; Mr Tony Krsticevic; Mr Dean Nalder; Ms Rita Saffioti; Mr Bill Johnston; Ms Janine Freeman; Mr Rob Johnson; Mr David Templeman

Mr D.C. NALDER: I will make a quick comment, and then I think we have probably all had enough on this. The member actually answered his own question. The member talked about restricted values. I have here a report that says there are two million taxi rides a quarter. How many additional taxis can enter the marketplace today?

Mr W.J. Johnston: An unlimited number!

Mr D.C. NALDER: No.

Mr W.J. Johnston: Of course that is the situation.

Mr D.C. NALDER: No. If someone wants to operate as a taxi —

Mr W.J. Johnston interjected.

Mr D.C. NALDER: No-one can pick up those fares other than taxis.

Mr W.J. Johnston: Of course they can.

Mr D.C. NALDER: This report is about taxi rides. The SCV market has been there for some time and the taxi market has been there for some time. We capture all the data for taxi rides. There are still two million taxi rides a quarter. We have actually reduced the number of taxis by 20 per cent. In order to be able to pick up rank and hail, which in the latest quarter accounts for 53 per cent of fares, people need to drive a taxi. So there is still a business opportunity there. However, I acknowledge that right now, the value, based on the way it was always interpreted in the past, has changed. We are saying that there is an industry going forward. It is not the case that there is no industry. We want this business to continue. Therefore, we need to help the people in the industry. The value of their business going forward will be based on the quality of the customer service they can deliver and on establishing a brand that attracts people to them. That is what it will be about. It is a change. We do not want to buy the industry and not have an industry. We want an industry in which people want to catch taxis and can be confident about doing that. Some of the member's arguments do not make a lot of sense. I acknowledge that a transition and a transformation of this industry is taking place. I have no problem with that. I understand that what used to be considered the value does not exist today.

Mr W.J. Johnston: That is right.

Mr D.C. NALDER: However, what I am also saying is that those who continue and succeed will get value back in their business based on —

Mr W.J. Johnston: That is not true.

Mr D.C. NALDER: Any business that can generate an income and has a brand and develops goodwill and delivers a great customer service proposition will have a value. That is what this is about. We are trying to help the industry move on from where it is today, because people in the community are voting with their feet and saying they want to transition to a new arrangement. We are trying to help the industry through that transition. We have determined the first payment based on the depreciation or the drop in fares. There are still fares out there. There has been a 20 per cent reduction in the number of taxis in the marketplace, yet fares are still going through for rank and hail. There is still a business opportunity there. No-one else can drive those taxis unless there is a licence for them. There is still value. How it is determined and how that goodwill is determined within the value is different from what it is today. I know that, and always will.

Mr W.J. JOHNSTON: The minister does not seem to get this. I am not objecting to the \$20 000 transition payment—nobody on the Labor side is. The minister could increase it, but nobody is objecting to that. We are asking why the rest of the losses are not being compensated. The minister just made a silly argument that rank and hail taxis can develop a customer service business case. It is ridiculous because the rank and hail cab is the first cab on the rank. There is no value in being the number one taxi on the rank because whoever is the number one taxi on the rank gets taken. That is just so mind-bogglingly stupid that I cannot believe the minister actually said it! As the minister said, people are voting with their feet—they are using Uber. I have kids who use Uber. I am showing the chamber my phone with all the Uber cars lined up, including one in the driveway of Parliament House. Customers can choose amongst the taxis based on its rating, but they cannot choose the taxi based on its rating because it is at the front of the queue. The minister said rank and hail—that is the front of the queue! Customers get into the taxi that is at the front of the queue. The minister said that 53 per cent of rides are taken without regard to which driver it is. Where is the value in the customer service? It does not seem to make any sense. There seems to be an undressed member in the house.

The SPEAKER: Do not worry; we will let him off this time, member for Cannington.

Mr W.J. JOHNSTON: He is setting the standard for the chamber, Mr Speaker. Very good. I remember when the Premier used to get upset about the former member for Perth —

Dr Tony Buti; Mr John McGrath; Mr Tony Krsticevic; Mr Dean Nalder; Ms Rita Saffioti; Mr Bill Johnston; Ms Janine Freeman; Mr Rob Johnson; Mr David Templeman

The SPEAKER: He has been told to put his tie on.

Mr W.J. JOHNSTON: — coming into the chamber in Chinese shirts that had no capacity for a tie.

The SPEAKER: He has been told to put his tie on.

Mr W.J. JOHNSTON: Excellent, Mr Speaker. I would not want the standards of the Premier falling even further.

The minister said that a business can be created and the future value will be the customer service. At the moment all the value in the fixed asset in the industry—which is not the car; it is the plate—has collapsed. Who knows what will happen? The most important amendment for the minister is not the clause we are dealing with at the moment, clause 6; it is clause 4. I reckon the minister is saying that corporate owners are going to be able to develop a pattern of travel that people are going to reward and that the value is going to be in corporate ownership. That is what I reckon is happening here. At the end of the day, when the minister comes back to us in November, there will be no reflection of the loss of the asset value for the owners of the plates today; it will all be about, “There’s 22 per cent of this and there’s 14 per cent of that.” It will not be about the suffering of ordinary voters. Ordinary voters who suffer because of a change to the regulatory framework will not be compensated. I reckon that is the direction the minister will go. He will say, “Oh, well; these corporate owners are running around buying up these plates at a cheap price and they’re going to create all this value in the future.” That will be the minister’s answer. That is why I asked the minister before what was fair compensation. It is a question that he has never answered because we know what he is doing. That is why the minister does not even want the power that we offered him to award compensation later because he does not want to offer any compensation for the loss of the value that will see a number of constituents from my electorate lose their houses.

Ms R. SAFFIOTI: I wish to make a further point. The analysis that the minister has provided does not incorporate Uber. His idea that if someone wants a taxi service, they can only use a taxi nowadays is completely false. The Supreme Court judgement stated that Uber is a taxi service. His exclusion of the other 2 000 to 3 000 cars on the road is completely false. That is the key point, which is what the member for Cannington talked about—that is, the loss of value of the plates and the impact that has on people trying to service their plates, particularly when people have borrowed against their homes. If people borrow against their homes and the value of their plate diminishes to next to nothing, their homes are at risk. I have seen the banks signing up to value and undertake activity in relation to people’s homes. In many instances, people have had to leave their homes. The minister is not properly reflecting the loss of the value of the plates.

WA Labor supports a voluntary buyback. That is our policy position. That is what we are keen to do. We are very frustrated that the government did not accept that amendment or consider it for the upper house or consider it over the weekend because we believe that is the way forward. We think that the corporatisation of the industry will not work in the longer term. The whole idea that the value of the plates is determined by the customer service that any particular taxi gives is quite flawed. If 60 per cent of the income of the taxi is generated from the rank and hail system, as the member for Cannington outlined, how is that premium developed if a taxi is the first, second or third vehicle on a rank? I think that idea is false. This whole idea that somehow every taxi will retain hundreds of thousands of dollars of value because of the service its driver gives when any person can jump into any car down the road that is less than nine years old and deliver the same service without paying additional costs is false. We were very, very keen on the buyback position but that has not been sought or approved. We invited the minister to take this away for the weekend and then bring it back into the upper house. We think that is the way forward.

As members know, the taxi plate owners were organised. They put forward some ideas to a lot of the members of Parliament in this place. One of their ideas was a compensation package of up to \$162 000. That relates to the amendment that I would like to move. The impact of Uber on the taxi industry has been to the tune of about 50 to 55 per cent. That means that the value of those plates has been significantly impacted. I seek leave to move my two amendments together.

Leave granted for the following amendments to be considered together.

Ms R. SAFFIOTI: I move —

Page 4, line 16 — To delete “\$20 000” and substitute —
\$162 500

Page 4, line 17 — To delete “\$6 000” and substitute —
\$50 000

As I said, I was willing to enter into negotiations. We believe that a grant of \$20 000 is not enough to cover up to a year’s assistance. I was keen to negotiate a number to get it through this house. The government was not keen

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to negotiate. This figure was put forward by the committee. We believe that taxi plate owners have suffered significant hardship and, as the member for Cannington has outlined, significant loss.

Mr W.J. JOHNSTON: The minister will not tell us what he thinks is a fair amount. In fact, he has criticised the Labor Party for not specifying what it thought was a fair amount. The member for West Swan made a very generous offer during the second reading debate. She said that any member of the government could come to her and say what they thought was a fair amount. She said that the minister could come and discuss with her what he felt was a fair amount because we did not want to restrict it. If the minister had said that \$100 000 was a fair amount, we would have had to consider that. If he said that \$250 000 was a fair amount, we would have had to consider that as well. We wanted to ensure that the minister and all the Liberal Party members of this chamber were not restricted in debate about what is a fair amount by us saying what we thought the minimum was. As the member for West Swan said, we did not want to get involved in politics; we wanted to let the government backbenchers come to a reasonable position.

That is an unbelievably generous position for the member for West Swan to take. But at the end of the day, the government has put the Labor Party in the position of having to specify an amount and the amount in this amendment is the specific amount that we think is a fair reflection of the value loss on the plates. It may well be that many plate owners think this is not enough but we cannot have just any figure; we have to have a reasonable amount. The member for West Swan moved an amendment that would have allowed the minister to make his own determination. He could have made any determination without having to come back to the chamber and having to ever debate it with the Labor Party. He could have had that right but he did not want the right to give more reasonable compensation to taxidriviers, so we are doing it. We are saying \$162 500 is a minimum amount that should be given to taxi plate owners due to the loss of value during this transition period. As the minister explained before, there is nobody in this chamber who knows what a taxi will be worth in the future but we do know what it will not be worth. There will never again be a scarcity value from taxi plates because, as a matter of fact, in accordance with a Supreme Court decision, every car that meets the criteria is now a taxi. The idea that rank and hail somehow makes a taxi plate more valuable is, as the minister explained, wrong. As the minister explained, the future will be about customer service and all those things; that will drive value—exactly as the minister said. The loss of value that has happened now is permanent and that is because we have gone from a scarcity value to an actual value. Given that the number of taxi plates would only ever increase within a series of parameters, the value of taxi plates was always maintained because owners knew they could sell it on to someone else, but now they cannot do that, except to the vultures in the corporate sector, who will pick up the plates at a low price to create value out of the sweated labour of future taxidriviers.

Mr D.C. Nalder: That's not right.

Mr W.J. JOHNSTON: That is fact, minister.

Mr D.C. Nalder: No it's not.

Mr W.J. JOHNSTON: It is just a fact.

The SPEAKER: Okay; well, you can respond.

Mr W.J. JOHNSTON: Is it not interesting? I have met a number of Uber drivers both here in Perth and in America when I was on holiday with my family a couple of years ago, when my daughter was living in San Francisco. None of those drivers were rich people, but Uber is worth \$70 billion. Who gets the value out of Uber? It is not Australia; it is not Uber drivers; it is an American company that is worth \$70 billion. It does not own a single car anywhere in the world but it is worth \$70 billion.

Mr R.F. JOHNSON: I will be brief because of the time. I do not have a problem with the amendment but it is not an adjustment assistance grant, which is in the bill. The lines to be deleted are known as the adjustment assistance grant. It seems to me that this amendment is more like a buyback scheme amount to assist people who have lost a tremendous amount of asset value in their licence plates.

It does not matter whether it is one way or the other. At the end of the day, I want to see our taxi owners, our taxidriviers, our plate owners, to be dealt with in a fair and equitable way. At the end of the day, there is going to have to be some sort of buyback scheme, like we did with the milk vendors, like we did with the fishers, and like we did with the potato growers—people involved in those restricted and regulated industries. We are going to have to do something like that for these taxi plate owners. We have to be consistent, in my view. We do not have many other industries that are regulated like the ones I have mentioned and like the taxi industry. Other than to point out that I do not believe that this is necessarily an adjustment assistance grant—it comes under that particular part of the bill—I think in many respects this could be looked at as part of a buyback scheme. I wish the minister had accepted the amendment that was moved earlier, because if he had done so this amendment would not have to have been moved. That would have given the minister far more leeway to deal with the

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assistance grant and the buyback scheme; whatever he wanted to do. He would have been given that authority by this house. For that reason, I support this amendment because I think it goes some way—not completely—towards being fair to our taxi plate owners, and that is what I want to see here today.

Division

Amendments put and a division taken with the following result —

Ayes (16)

Ms L.L. Baker	Ms J.M. Freeman	Mr F.M. Logan	Mr J.R. Quigley
Dr A.D. Buti	Mr R.F. Johnson	Mr M. McGowan	Ms R. Saffioti
Mr R.H. Cook	Mr W.J. Johnston	Ms S.F. McGurk	Mr P.C. Tinley
Ms J. Farrer	Mr D.J. Kelly	Mr M.P. Murray	Mr D.A. Templeman (<i>Teller</i>)

Noes (28)

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

Pairs

Ms M.M. Quirk	Dr G.G. Jacobs
Mr B.S. Wyatt	Mrs L.M. Harvey
Mr C.J. Tallentire	Mr T.K. Waldron
Mr P.B. Watson	Mr W.R. Marmion
Mrs M.H. Roberts	Mr D.T. Redman
Mr P. Papalia	Ms M.J. Davies

Amendments thus negated.

Clause put and passed.

Clause 7 put and passed.

Title put and passed.

Leave granted to proceed forthwith to third reading.

Third Reading

MR D.C. NALDER (Alfred Cove — Minister for Transport) [5.51 pm]: I move —

That the bill be now read a third time.

MS R. SAFFIOTI (West Swan) [5.51 pm]: Given the time, I will make a short contribution. The opposition believes this bill is woefully inadequate and that \$20 000 is not enough. Opposition members have said a number of times in this place that we do not believe that the reform has been handled well and that, basically, the minister is creating more uncertainty for those 900 private plate owners and the taxi industry in general. The opposition believes that there has not been enough research and analysis to gain knowledge of the industry. That has been borne out during consideration in detail.

The government is trying to develop a dream industry, which does not exist, and we will see a lack of sustainability in the industry in the long term and a dissipation of the professionalism and pride that many taxidrivers, particularly owner drivers, have shown over many years. We will have a corporatised industry with people moving in and out of the market very quickly, trying to make money out of people rather than contributing to a long-term sustainable industry.

As I said, the opposition will not delay this bill. I note that as soon as we heard that the government wanted to bring in this bill this week and on this day, the manager of opposition business facilitated that with the Leader of the House. In no way has the opposition ever delayed or tried to stop debate on this bill. The opposition facilitated the passage of this bill through this house in one day. The opposition allowed the third reading to proceed straight after consideration in detail, which is quite unusual. The opposition has facilitated this bill, even though we think \$20 000 is not enough.

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The minister has stated that by 30 November he will outline the government's plan. The opposition will outline its plan, and both the government and the opposition will take these issues to the election. That is where we are at. The minister has been Minister for Transport for two years. He has had a lot of time and a lot of resources to deal with this issue and he has not provided any answer or solution to the industry; he has just created more uncertainty. This issue will be taken to the election. I had assumed that the government, with all its resources, could have facilitated a strategy well before now. That has not happened. As I said, the opposition is disappointed. The government has not done enough and the bill does not provide real certainty for many industry players.

MR R.F. JOHNSON (Hillarys) [5.53 pm]: I will be brief also because I can see the time and I know that members probably want to get off tonight, and I do not blame them. I am not going to the football match, but I know that some members would like to.

I refer to what was discussed in consideration in detail. It is very regretful that the Minister for Transport was not prepared to accept the first amendment put forward, which would have saved us an enormous amount of time, because the second amendment would not have been moved and it would have given the minister the authority to deal with this very serious but sensitive issue.

The minister said that he will bring this issue back in some form in November. Mr Speaker is fully aware that we will be sitting for only six days in November. On those six days, standing orders normally go out the window. Standing orders will be suspended and things can come and go. Bills can come from the other place, and we can send them to the other place; we do not need to do all sorts of things that we would normally need to do during the rest of the year. We could be debating this bill again or a revised bill of some nature, I presume, on the taxi industry at about 12 o'clock at night on the last sitting day in the middle of November. We could be debating this bill at one o'clock in the morning. That is not appropriate. I suggest to the Leader of the House that we should be sitting at least one extra week in November. To get up in the middle of November is almost unheard of. I think it is a dreadful reflection of the management of this house.

This is a very poor bill. It may not be to some people, but to the people in the gallery, if they are still here, it is an extremely important bill. To the people who have come to my office time and again—some of them are possibly going to lose their homes—it is an extremely important bill. They are looking for some sort of buyback scheme and recompense for the money that they paid out. If they paid out \$200 000 for a taxi plate, they are looking to get some of that back. The income stream has lessened; I know it has. I talk to taxidrivers. My son uses a taxi all the time because he is a fly in, fly out worker. Quite frankly, about 25 000 to 30 000 jobs have been lost in that industry and at least 15 000 of those workers would have used taxis to go to and from the airport to fly up north. Those jobs have been lost now and that loss impacts on the taxidrivers, because very often it is so expensive to park at Perth Airport that FIFO workers often use taxis. It is very true.

Mr D.A. Templeman interjected.

Mr R.F. JOHNSON: People come from the member for Mandurah's electorate to do fly in, fly out work and at the end of the day they are better off getting a train up to Perth and then a taxi from Perth to the airport than paying an exorbitant amount in parking fees. It is a great shame that the minister did not accept the amendment. I think it was put forward in good faith. I do not think it was a political stunt whatsoever. I did not want to be involved in a political stunt. I think the amendment would have helped and would have given the minister the authority to deal with this very serious and very sensitive issue.

I will not speak for much longer. I will be talking with people in my electorate and others in the taxi industry. They visit me regularly and they were hoping that some good outcome would come from what we have been discussing all day. Virtually all day we have been discussing this bill to try to give some sort of assistance to those people who are hurting in the taxi industry.

Some members may suffer at election time because of the government's stand on this issue. They may suffer because there are 2 000-odd taxis out there, so about 20 000 people will be affected through the ripple effect, from taxi owners, taxi plate owners, taxidrivers, their family and friends. An enormous number of votes will be swirling around at election time. I think that the taxi industry will remember today very well, and it will remember how it has been treated by the government. I do not think it will be remembered as a very kind way of treating these people who are now in this serious financial position through no fault of their own.

It is a great shame that the government did not accept the amendment. I think it should have done. I think it would have paved the way for a lot more beneficial discussions in the other place. I assume the opposition may well move an amendment along these lines in the other place. I assume the Labor Party will do that. It will not get it through because the Liberal and National Parties have control of that house like they have

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control of this house. It will not be like that forever and the taxi industry will remember today and the future and the way certain people and certain parties have treated it.

MR D.C. NALDER (Alfred Cove — Minister for Transport) [5.59 pm] — in reply: I rise to close debate on the Taxi Amendment Bill 2016. I appreciate the opportunity to pass this legislation, so that we can make payment of \$20 000 to members of the taxi industry as quickly as possible. This is a major transformation in the taxi industry. It is an issue that all jurisdictions around Australia, if not the world, have been battling. Irrespective of which political side they sit on, every state government in Australia has struggled to find a way forward for the industry and the broader community. Labor and Liberal governments in the east, and this government, have been working to find a way forward that ensures that all participants in the industry can prosper.

We acknowledge, with the further events that have occurred in the industry this year, that the \$20 000 is not the be-all and end-all. It is an interim payment that we want to get out there as quickly as possible while we are working towards further adjustments and support. As I said in my reply to the second reading debate, all taxi plate owners will be sent a letter tomorrow outlining the hardship allowance that is available, to pick up those who find themselves in unfortunate circumstances. We need to make sure that we have a safety net for people in that environment.

I wish to resolve further opportunities and issues, and I appreciate all those who have participated in this debate. I reiterate that the Liberal–National government is not stopping here in its support for the taxi industry. This is merely another stage in a major transformation of the industry. We want all participants to be successful. All the way through this we have not said that this is intended to corporatise the industry. We have said that there are opportunities for corporates and also for cooperatives. We want to encourage taxi plate owners to get together to form cooperatives so that they can establish brand, goodwill and superior customer propositions.

Western Australia is expected to grow quite strongly in coming decades, and we see a need for the on-demand transport sector. We wish everybody the very best, and we wish to continue to support them. We will continue to work over the next two months to finalise proposals that we wish to make to the industry, but we also have to be able to justify to the broader community how we utilise taxpayers' funds. It is not a simple solution. If it was so easy, other jurisdictions would have been able to do it by now. Our state has moved faster than the majority of states in Australia on this issue—although it is not as quick as I would have liked—to deliver better solutions for the people in the taxi industry, and I believe we are delivering a more generous outcome than pretty much any other state in Australia. Members on this side deserve credit for that, despite the pain and the issues that the industry confronts. We commit to continuing to work with the industry to try to find the best solution and the way forward, and we commit to coming up with additional financial support for the industry. We look forward to sharing that with the broader community in the coming months.

Question put and passed.

Bill read a third time and transmitted to the Council.