

**TAXI AMENDMENT BILL 2003**

*Committee*

Resumed from an earlier stage of the sitting. The Chairman of Committees (Hon George Cash) in the Chair; Hon Ken Travers (Parliamentary Secretary) in charge of the Bill.

**Clause 5: Section 16 amended -**

Debate was interrupted after the clause had been partly considered.

Hon PETER FOSS: I earlier indicated that I believed we should deal with some of these amendments but that we should not deal finally with this clause until such time as the parliamentary secretary has dealt with the questions raised earlier by Hon Jim Scott and me. I invite him now, if he is not ready to do so, to move his amendment, which substitutes for my amendment, as a way of progressing the matter.

Hon KEN TRAVERS: If it assists the Committee, I will move amendment 4/5. A further amendment - 6/5 - will then seek to define the term "relevant percentage". By way of brief explanation to the Committee, as Hon Peter Foss has mentioned, he had placed an amendment on the supplementary notice paper; however, that amendment was unacceptable to the Government. Following consultation with Hon Jim Scott, the Government agreed that it would be prepared to insert a cap on the number of leased taxi plates as a percentage of the total number of taxi plates that could be issued. That would provide some assurances to the industry that if the cap were to go beyond 20 per cent, there would need to be some form of parliamentary process. That is covered by amendment 6/5. It could have been done purely by way of regulation, but the Government wanted to give a clear indication to the industry and the public that it is happy for the cap to initially commence at 20 per cent, but with the opportunity for that to be increased in the future. Any increase beyond that amount would be subject to disallowance and, therefore, parliamentary scrutiny. It is fair to say that this will provide some ability for people to see how this measure works. As I have mentioned, the Government's view, based on the Melbourne experience, is that it is not necessary. However, it will certainly provide some ability to review whether the cap is having any impact on the conventional plates on issue, should anyone wish to take it beyond 20 per cent. I move -

Page 3, after line 14 - To insert -

- (3) Taxi plates may be offered for lease under subsection (2) only if the issue of those plates under section 18 would not result in the total number of leased taxi plates issued under that section exceeding the relevant percentage of the total number of taxi plates (whether owned or leased) issued under that section.

Hon JIM SCOTT: Having asked for some sort of amendment in this regard, the Greens (WA) support the amendment. I heard what Hon Murray Criddle said about wanting paragraph (b), which sets the percentage of plates to be issued, to be applied by legislation rather than regulation. However, legislation takes an awfully long time to run through this place, and regulations allow one to respond to an urgent need for change. Regulations also offer the opportunity for the House to move disallowance, if required. I note that Hon Ray Halligan, who is a long-standing member of the Delegated Legislation Committee, will certainly look at any changes. I am not certain whether this measure would run foul of the disallowance procedure should the percentage of release be seen as a way of increasing revenue. Otherwise, I support the amendment.

Hon RAY HALLIGAN: Having heard the words of Hon Jim Scott, a matter comes to mind regarding whether the increase in taxi plates should be made by way of regulation. I ask the parliamentary secretary whether that order or regulation - call it what one will - will not come into effect only after the last date for disallowance. If that were not the case, as we know, the regulation would become law on gazettal. If the additional taxi plates were leased out prior to the last date for disallowance, members of this place would have enormous difficulty trying to disallow them because it would cause people who had taken up the leased plates to suddenly reverse all their arrangements in procuring money and other infrastructure to start their business.

Hon KEN TRAVERS: My advice is that at the very least it would require the regulation to be prescribed to increase the percentage by up to 20 per cent. There will be a period between our prescribing the regulation, people making application and our issuing the licences. In my view, there would be plenty of time for a disallowance to be moved prior to any licences being issued. Therefore, the issue raised by Hon Ray Halligan would not arise.

Hon PETER FOSS: I beg to differ. The reality of the matter is that one could table a regulation immediately after this House rose in December. A dissolution of Parliament might follow, and it might not meet again until June. A period of time is available for the regulation to be discovered. Although I have a great deal of faith in Hon Ray Halligan's committee, thousands of regulations pass through, and it would be possible to miss a matter.

Notice must be given in the House to ensure a disallowance motion is debated. Admittedly, provisions were put into standing orders to ensure that the disallowance motion would be debated. However, it is possible that it would be eight months between the regulation coming into effect and the disallowance motion being passed. In that time, all the licences could be issued. This process could be repeated. For example, another 15 per cent might be regulated, and those further plates could be issued. The regulations may be disallowed; nevertheless, they will have been in place. It was done. Those plates issued in the meantime would be valid because nothing in the disallowance would prevent that being the case. Another regulation could be made at a higher percentage, and further licences could be issued. By the time of disallowance, the plates will have been issued. A problem with prescribing this matter by regulation is that it is a major policy difference. I do not mind regulations for administrative changes. They fix things that do not work. Members should keep in mind that the number of plates will always increase anyway. The total increases, and more plates are bought. Therefore, one can issue more licences. When one decides to change the percentage, one is making a major difference to the market. This matter was being discussed before lunch. The impact of the Government's becoming a player in this area is a major concern. It immediately has a conflict. Frankly, it is a matter of absolute importance that the principle of whether we approve a further 20 per cent of plates into the market comes before Parliament to be justified. It is not that someone must justify a disallowance as though it merely altered an administrative arrangement, as this is a policy difference. This is particularly the case as it is the first time it has been done.

I was originally going to move for a five per cent increase. This is 20 per cent, which equates to a significant number of plates.

Hon Alan Cadby: Two hundred and twenty five.

Hon PETER FOSS: Indeed. That is a pretty big handover to the Government in what it can do to the taxi plate market. I am reluctant to say it is fiddling at the edges of regulation. I understand that the intention is to release a five per cent increase in the first instance. However, that could be done four times. I presume, and hope, it will not be four times over the next four years.

Hon Murray Criddle: Competition policy states that they should be released regularly.

Hon PETER FOSS: Yes. It may well be five per cent followed by five per cent and so on. That is the type of matter for which one has a review clause. If we had an Act of Parliament, a review clause would be necessary before making changes. We are saying that it can now be done by regulation. I urge Hon Jim Scott to think that one through, because there is a significant difference between changing administrative arrangements by regulation and changing policy by regulation. Given that the number of plates that can be validly issued are not made invalid by a disallowance, and they have to come back in four years and tell us how it is going and ask for more plates if necessary, that means we can have that debate in this place. If it is done on a disallowance, it does not give the Parliament an opportunity to have input. We are on a short time frame for making that decision. That is no way of making a policy decision of this nature. If something like that came back, I would have thought that it would go to Hon Barry House's committee or Hon Christine Sharp's committee for some investigation of the facts. We could determine what has happened and what the impact has been, how the Government has dealt with it and what this has meant for the taxi industry in Western Australia. That cannot be done with a disallowance motion, assuming it is noticed, and the opportunities for it to be bypassed are just too great. I am happy to support this amendment and leave the majority of this debate for when the Committee considers amendment 6/5, but I would like Hon Jim Scott in the meantime to cast his mind over the way in which this will work.

Hon KEN TRAVERS: To allay some of the concerns of members opposite, I draw their attention to the fact that there is currently a cap on the number of conventional plates that can be issued in this State. I was confused about the percentage this morning, but the number of conventional plates is limited to 0.86 per thousand by regulation. That is the existing system operating in this State for providing surety.

Hon Alan Cadby: Is that for the whole State or just the metropolitan area?

Hon KEN TRAVERS: That is only the metropolitan area.

Hon Murray Criddle: Those plates are for sale under a tender process.

Hon KEN TRAVERS: Members are saying that this measure will impact on the value of plates. The value of plates could be impacted tomorrow by putting on the market all the plates we are currently allowed to issue under regulations, but that we choose not to issue. If it were the intent of this Government or the previous Government to interfere in the market and drive down the value of plates, that would already have been done.

Hon Peter Foss: It puts it into the hands of the Government. When you sell the plates, you are passing them on to someone else, but when you lease them, you retain ownership.

Hon KEN TRAVERS: The point is that the value of plates can be influenced significantly by government decisions. This will give some surety to the process. Other issues will affect the value of plates. Hon Peter Foss's comments before lunch today, that he was a deregulationist and that if he had his way, we would see buyback of plates back on the agenda, will probably have a significant impact on the value of plates in Western Australia.

Several members interjected.

The CHAIRMAN: Order! One at a time! I am listening to Hon Ken Travers; others can have their say in a moment.

Hon KEN TRAVERS: It is important to understand this. The history of the value of plates both in Perth and in Melbourne shows the effect of notions such as buyback and deregulation actively being progressed. When there is the potential for a political party to go down that path, plate values will decrease. I will seek to table tomorrow morning a copy of the history of plate values in Victoria. Members will see that they do fluctuate, and some of those issues do have an impact on the value of plates.

As I said, if the Government were to issue 200 plates tomorrow, it would have a significant impact on the value of the plates. The Government's proposals provide certainty and some sense of security to the industry. The Government's view is that it should have the option of issuing lease plates in the future. Hon Jim Scott raised some concerns with me and indicated that he would like to have something along those lines. The Government was prepared to concede to that on the basis that it would help to provide security to the industry in the future. If it does that, the Government would be happy to go down that path.

However, the issue that will have the most impact on the value of plates is the number of plates that are in the market, whether they are lease plates or conventional plates that have been sold and are tradable. Currently, that issue is dealt with by regulation. It would be a crazy situation not to deal with the number of lease plates as a subset of that process. We are happy to allow regulations to be made, and that is the way the Bill is currently written, regarding the total number of plates. However, the Opposition wants us to bring back the issue of the number of lease plates to Parliament for scrutiny. As I have said, when that regulation goes through, I am confident there will be plenty of time for members to move a disallowance motion, because it would be at the time the applications were being sought and prior to the issuing of the plates. The industry would be afforded that protection.

**Progress reported and leave granted to sit again.**