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Member for Blue Mountains



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New South Wales Parliament Legislative Assembly

Point to Point Transport (Taxis and Hire Vehicles) Bill 2016

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I make a contribution to the debate on the Point to Point Transport (Taxis and Hire Vehicles) Bill 2016, primarily on behalf of the taxi operators and drivers in my electorate of the Blue Mountains. The bill does a number of things, including: establishing a new regulatory framework for the point to point transport industry; establishing a new standalone regulator; introducing measures to ensure compliance by ridesharing services and other emerging business models; and providing a mechanism for industry assistance funded by a temporary levy on service providers, although the bill does not set the quantum of any assistance.

The bill provides for the establishment of a transitional assistance panel to oversee the distribution of assistance funds, including advising the Minister on eligibility. The fact that the panel will determine the procedures for applications for assistance, recommend criteria for payment of additional funds, advise the Minister on disbursement and use of funds, and make recommendations as to payments or funds to particular applications is a good thing. The Minister will also have the discretion to determine an amount payable to a person.

It is good to know, as has been said in this place already, that Labor will develop an amendment to have a driver representative included on the panel. I urge the Government to support that. We would also seek to remove the Minister's discretion in a number of cases. Some of the measures contained in the bill are welcomed and some of the measures provide clarification around a series of changes that have impacted heavily on taxi operators, drivers and their families. I have personally sought clarification from the Minister on a number of points. The detail of the industry adjustment package, valued at \$250 million, is good to an extent. Apparently it includes \$142 million in a fund for taxi licensees who are facing hardship as a result of the changes; \$98 million for transition assistance of \$20,000 per perpetual licence for up to two licences for taxi licensees who obtained a licence before 1 July 2015 to help them to adjust to a more competitive market and to offset a reduction in income; and up to \$10 million for a buyback scheme for potential hire car licensees.

Applications for the \$20,000, as we have learnt, will apparently be made online and will require licensees to provide information to demonstrate their eligibility. The transition assistance panel will provide advice to the Minister about how the hardship fund will be distributed. All of this is good news and provides a bit more information for taxidrivers and operators in the Blue Mountains who have been seeking that information. However, the Government has not provided any explanation as to how the figure for this \$250 million

adjustment package was reached. The \$250 million is not contained in the bill. The compensation package needs, in my view, to be more substantial. The ongoing investment value of taxi plates is only going south, as we have heard.

I am pleased that a dedicated regulator, the Commissioner for Point to Point Transport, will be created and will have significant and wide ranging powers. Let us hope the Minister does not appoint as commissioner the same genius who composed an advertisement for the New South Wales Seniors magazine promoting only Uber. I trust that our taxi industry will also be supported via government advertising extolling the positives of travelling by taxi. That would be fair and just. The regulator compliance component of this bill raises more questions than it answers. My constituents are concerned about the establishment of a new compliance agency. It is their view that while this model might be appropriate for the Sydney market, in regional markets such as the Blue Mountains there are not the economies of scale in place to support a separate dedicated entity, and the needs and concerns of taxi passengers, operators and drivers are markedly different from those of metropolitan Sydney.

Consultation with the industry must be included in any development about compliance and regulation so that it works to benefit and support those who need it. I will reiterate the points I have raised with the Minister in advocating on behalf of my constituents. Those points and questions have not yet been addressed by this Government. Whether or not this bill goes some way toward answering the concerns of taxi operators and drivers in the Blue Mountains is yet to be seen. Given I have the privilege of being in this place, I must put the concerns of my constituents on the record, as requested.

Representatives of the taxi industry in the Blue Mountains have met with me on a number of occasions and three key issues have emerged. First, with the recent regulation of ridesharing in New South Wales the market for taxi plates has plummeted, eroding the investment that taxi owners made when purchasing their plates some 20 years ago. Although Uber does not yet operate in the Blue Mountains, the industry as a whole has seen the value of taxi plates tumble. The compensation package offered to taxi owners has been described to me as inadequate. In March, through correspondence, I asked the Minister:

What is your response to the position of taxi plate owners that the value of their plate investment should be protected by Government or compensated for in full?

I have yet to receive a comprehensive response to that question. Secondly, they seek clarification of the proposed 55 regulations to be abolished, as well as the criteria for the hardship provisions in the compensation fund. Specific information, made available as soon as possible, will assist the local industry in responding to the rapidly changing industry they are a part of. Thirdly, there are broad concerns among the taxi plate owners that local compliance efforts by government have fallen off in recent years and that as a result rogue operators are allowed to flourish and lower service standards. I also want to acknowledge the efforts of my colleague the good member for Rockdale, Mr Steve Kamper, who said:

For decades mum and dad investors have made the decision to invest in a taxi plate with the implicit guarantee of a government-backed asset, one whose value would be supported by our New South Wales State Government.

Most of these people were not looking for big returns, just a stable, steady yield that would see them through retirement and maybe something to leave behind for the children or grandkids.

Many of my constituents have told me that they are pleased the member for Rockdale made comments in this place that captured some of their views and feelings. We all should know that the cost of compulsory third party [CTP] insurance, alongside registration costs, is one of the biggest overheads in the taxi industry. They are enormous

costs. A review of CTP insurance for all point to point vehicles will hopefully ensure greater fairness in premium settings for the sector.

There are many aspects of this bill that I could elaborate on: concerns related to drivers and work safety; issues around vehicle compliance and fares, and rank and hail work. Needless to say, we will all need to maintain scrutiny and keep an eye on this soul-selling Government with its ideology that promotes profit before people. I have one more point in relation to the review mechanism in the bill: The bill will allow the Minister to review the impacts of these reforms on the industry. If the review is undertaken, a report on the outcome of the review of the bill will be tabled in both Houses of Parliament. The Act is to be reviewed after five years. Labor will move an amendment that seeks to have a 12-month review of the adjustment fund.

And finally, for the record, for my taxi drivers, operators and community, I hope that the Minister's responses and this bill will go some way toward alleviating their concerns. I thank the Blaxland-Glenbrook, Hazelbrook-Lawson, Leura-Katoomba and Blackheath taxi representatives for sharing their views and concerns with me. Particular acknowledgement must be made of the following people who sought me out and bent my ear, on a number of occasions, determined to have me understand: Bruce Palme, Jillian Williams, Peter and Sandra Tennant, Julie Jenkins , Lance Maher , Christina and Anne Klaase , Judith Clarke , Warwick Noon and Eddie Murrell . To all our taxi drivers, some who are plate owners and company operators, and many who are not, I thank them on behalf of many in our community who rely on their existence. It is not an easy job. The climate at present is precarious. I appreciate their smiles and positivity. I will keep speaking up for them.