



TRANSPORTATION AND UTILITIES COMMITTEE

Members present:

Mr SR King MP (Chair)
Mr JN Costigan MP
Mr MJ McEachan MP
Mr R Molhoek MP
Mr JE Madden MP
Mr CG Whiting MP

Staff present:

Ms T Struber (Inquiry Secretary)
Ms R Stacey (Principal Research Officer)

PUBLIC HEARING—INQUIRY INTO THE HEAVY VEHICLE NATIONAL LAW AND OTHER LEGISLATION AMENDMENT BILL 2016

TRANSCRIPT OF PROCEEDINGS

FRIDAY, 21 OCTOBER 2016

Caboolture

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Committee met at 10.33 am

CHAIR: Good morning. I call this public hearing of the Transport and Utilities Committee to order. Thanks for your interest and your attendance here today. I would like to start by acknowledging the traditional owners of the land on which we meet. My name is Shane King. I am the member for Kallangur and chair of this committee. With me today is Mr Rob Molhoek MP, member for Southport; Mr Matt McEachan MP, member for Redlands; Mr Chris Whiting MP, member for Murrumba; and Mr Jim Madden MP, member for Ipswich West, who is running a little late.

The committee has advised the public of this inquiry by publishing details on the parliamentary website and by writing directly to a number of stakeholders. Witnesses at today's public hearing will appear in the order outlined on the public hearing program. The program has been published on the committee's web page and there are hard copies available from committee staff. The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. The committee will not require evidence to be given under oath, but I remind witnesses that intentionally misleading the committee is a serious offence. You have previously been provided with a copy of instructions to witnesses so we will take those as read. Only the committee and invited witnesses may participate in the proceedings. As these are parliamentary proceedings, under the standing orders any person may be excluded from the hearing at the discretion of the chair or by order of this committee.

The proceedings are being recorded by Hansard. I therefore ask you to please identify yourself when you first speak and to speak clearly and at a reasonable pace. Witnesses will be provided with a transcript. Media may be present and will be subject to the chair's direction at all times. The media rules endorsed by the committee are available from committee staff if required, and all those present today should note that it is possible you might be filmed or photographed during these proceedings. I ask everyone present to turn your mobile phones off or to silent mode.

The purpose of today is to assist the committee with its examination of the Heavy Vehicle National Law and Other Legislation Amendment Bill 2016. The bill proposes to amend two acts: firstly, the Heavy Vehicle National Law Act 2012 and the Transport Operations (Passenger Transport) Act 1994 to allow regulation to be made providing for a scheme for the payment of financial assistance to the taxi and limousine industry in order to implement the main elements of the \$100 million industry adjustment assistance package.

I would like to welcome all the witnesses who are appearing today. We thank you for the detailed submissions that we have received. We have had the opportunity to read your submissions and familiarise ourselves with the issues you have raised. We have had significant evidence from witnesses over the last two weeks regarding the way that the taxi and limousine industry has been impacted over the last two years. At this hearing, being the final hearing, we will be focusing solely on the industry adjustment assistance package and suggestions that you would like the committee to consider regarding the industry assistance package.

Time will be very limited today and we will have to time speakers. There are so many people on the speaking list. We are happy to accept any written submissions that detail specific impacts on your businesses but are not able to be heard at today's proceedings. We do appreciate your stories and we want to hear them, but if they are written we can talk today just about the industry adjustment package because of the time allowed. You can table any written statements or submissions at the hearing today or provide them to the committee by email. I understand that you have all been advised of this approach by email. Therefore, I will ask you to keep your introductory speech to a couple of minutes and focus on the industry adjustment package to allow sufficient time.

The committee has also asked the Department of Transport and Main Roads to attend the hearing to answer any further specific questions the committee may want to ask them. Answers to questions previously put to the department can be found on the committee's website.

HASTED, Ms Liz, Licence Owner and Taxi Depot Operator, Apollo Taxis

THOMAS, Mr David, Private capacity

CHAIR: Could I ask one of you to please make a brief opening statement?

Ms Hasted: I operate a taxi depot that manages 11 Brisbane taxis which are affiliated with Yellow Cabs. I own two licences which are still under finance and I lease nine more. I am a member of Taxi Council Queensland and support its submission wholeheartedly.

Everyone involved in the taxi industry can attest to the following five things: we operate on tight margins; we have high and inflexible overheads; we rely on and engage a labour force which generally has limited employment options; our revenue has collapsed; and we need assistance in the immediate future in order to be able to survive the impact of this radical change in government policy.

Perhaps our greatest concern is that within the HVNLOLA Bill exists a hidden time bomb—an automatic expiry that we can assume will terminate all industry assistance in two years. Given that it has taken 2½ years to get to the current situation, it would seem premature to embed such a definitive end date in the bill. It seems strange to have such a major part of an open ended five-year strategic plan which is attempting to navigate uncharted waters have such a definitive legislative cut-off.

The five-year strategic plan states that the changes will be implemented progressively over the next five years. There is nothing progressive about instantaneous deregulation with no rules on the uncapped competition. There is nothing progressive about an automatic two-year cut-off for the assistance scheme. We implore the committee to recommend the removal of this sunset clause.

Finally, both as a citizen and a taxi stakeholder, I implore the TUC and the parliament of Queensland to implement the following three things: firstly, a system of direct payments to all registered taxis to offset the chasm between class 3 insurance and that of the other taxi type operators until some other way is found to address the inequity; secondly, a fund similar to QLeave that can accumulate and distribute funds from this package to ensure that community standard safety net conditions are available for the driver workforce which is so sadly over looked in this policy; and, lastly, the use of high-integrity security cameras be mandated in all vehicles during taxi type work. These devices undeniably contribute to workplace passenger and public safety. Although outside the direct TO(PT)A brief of the TUC, this is a major theme of the heavy transport sections of this bill.

CHAIR: Thank you very much, Liz. David?

Mr Thomas: Mine is very similar. Good morning, committee members. I own a taxi licence on the Sunshine Coast. I am appearing here in place of John Rahilly, who rang me last night. He is unable to attend; he has family commitments.

CHAIR: I know John well and talk to him regularly.

Mr Thomas: Good. Firstly, although outside the direct scope of the HVNLOLA Bill, can I refer you to submission 22, which offers a policy method to fairly deregulate the industry by buying back all perpetual licences and then reshaping it in whatever model the government sees fit. This is the only way to properly address the property rights that a reasonable person would consider have always been attached to taxi licences.

I would like it on record that I fully support the submission from Taxi Council Queensland. We have a great taxi industry here in Queensland adhering to world's best practice, but it can always improve. My statement contained three points—one, property rights must be honoured and upheld. A business of value that is sustainable is the only business that can give a commitment. These property rights can be upheld by using some of the available funding towards levelling the playing field in regards to CTP insurance and other costs.

My second point is that the income of drivers has been impacted due to deregulation. We live in a First World country, and drivers—like all workers—deserve respect and to be supported with good wages and conditions. I would like to see the application of some funding from the available pool put into actions that enable the provisions of a minimum wage plus superannuation, sick leave and holidays—something that every Australian employee gets.

Thirdly, a taxi, or a private hire vehicle, or an Uber car, is a workplace environment and it needs strict and enforceable safety. On a daily basis we are seeing in the press from overseas the number of sex assaults in Uber cars and in rideshare. I think all for-hire vehicles, being a workplace, have to have tried and tested safety measures, because there is a risk to all occupants, including the driver. Integral to safety would be mandating the installation of high-quality security cameras and alarms—a camera that is totally tamper proof and accessible only by authorities.

Just to finish, whilst I have not fully familiarised myself with the heavy transport sections of the bill, it seems from a cursory read that much of which is to be mandated in there has for taxis recently been consigned to the shredder—for example, some of the safety measures and the lines of responsibility. That is all I have to say. Thank you for the opportunity.

CHAIR: No, I appreciate that.

Mr Thomas: I have some things to table. Should that be done now?

CHAIR: If you submit it, we will have a meeting later and see whether we can publish it or not. Thank you for submitting that. You both feel very strongly, and we have heard very strongly over the past few days, about the cameras. Is there something that is cheaper? We have heard, 'Definitely, we need some form of camera' and, from what we have heard, that is the security that the taxi industry brings that ridesharing appears to not bring. In keeping up with technology, is there something that would be cheaper? Some people have suggested things. Would you prefer what is strictly mandated to be across the whole industry?

Mr Thomas: Yes. You have to have something that is absolutely tamper proof, high integrity and only accessible by the authorities, because who knows? The people out there could have it on YouTube if something goes on in the back.

CHAIR: That was one of the suggestions—that it is streamed back to a central place and kept on file there so that the camera, if it were damaged, the data is already kept. Quite a few submissions went that way. Thanks for that.

Mr MOLHOEK: Because we have a couple of drivers with us I just wanted to revisit some of the questions that we asked yesterday about the average cost of setting up a cab. You have the purchase price of the vehicle. What are all the other costs typically when you set up a vehicle from scratch in terms of the digital keyboard, the navigation and the system back to base and all of that? I just want to get a clear sense of what all of that costs.

Ms Hasted: I fairly recently inquired about purchasing another car to take on a licence for a friend. It is fairly recent information from Yellows. The initial cost for it for MTDData cameras—that sort of thing that you are speaking about—is approximately just under \$8,000 and then the decals on the vehicle. That depends on what sort of vehicle, but that is probably another \$1,500 for the decals.

Mr MOLHOEK: Yes. Does that include the system that is required to operate with the base operator or the service provider?

Ms Hasted: Yes, it includes all of that system but it does not include—in order to save money, normally cabs run on gas. It does not include the—

Mr MOLHOEK: The conversion.

Ms Hasted: The gas system. No, it is just a straight vehicle.

Mr MOLHOEK: Right. Is there any other fit-out? Have you put the heavy-duty rubber mats into the vehicle, or different seats?

Ms Hasted: I do not think so. We replace our mats generally every year. They last only a year.

Mr MOLHOEK: That is just part of the ongoing cost.

Ms Hasted: Yes.

Mr MOLHOEK: David, you are representing United Hire Drivers?

Mr Thomas: Yes. I only filled the spot, actually. I do not represent them. I have their notes and many of the things I agree with, so I have included those in mine. I have put in an extra submission that covers theirs.

Mr MOLHOEK: Liz, you are with Apollo. What are the annual fees that a licence owner would pay to a depot operator, or a call centre operator?

Ms Hasted: Our radio fees are about \$900 a month.

Mr MOLHOEK: That is in Brisbane?

Ms Hasted: Yes, that is in Brisbane.

Mr MOLHOEK: I have heard in some cases that they are as high as \$12,000 to \$13,000 a year. There would be different areas, I guess.

Ms Hasted: I would imagine so, yes. More cars means that you can bring your costs down, I would imagine, in Brisbane.

Mr MOLHOEK: They were my only questions.

Mr WHITING: You said that you have high and inflexible overheads. Can you describe what you mean by that?

Ms Hasted: The fit-out. You do not have a choice. Your cameras, your MTData systems for your drivers, your radio work, your hail light—everything—you must have these things. You do not have the option to put in a cheaper MTData system. You just have the system and that is what it is as regulated. Probably, our highest cost that is inflexible is our CTP insurance. That just cripples us.

CHAIR: That has come through loud and clear at every meeting.

Ms Hasted: You talk about \$60 million, or whatever. If every licence had its CTP paid via a government subsidy, the savings on that for an operator—say I have 10 cars; that will save me \$60,000 a year. That allows me to pay my licence holder a fee, which is reasonable, for the lease. It allows me to pay my driver more money, which he deserves and, possibly, as David said, the workers compensation and get that really set up.

Mr WHITING: In terms of those inflexible overheads, obviously, CTP and the fairly prescriptive specifications about the type of equipment that you need, they are the two largest overheads that you find problematic.

Ms Hasted: I do not know that the equipment that we require is problematic, because we all see value in that. I am speaking truthfully. Less than a month ago I had a driver who went out to Forest Lake for a job at four o'clock in the morning, drove around looking for these people and four guys were on the street after a party. They asked, 'How much to take us to Chermside?' '\$120.' 'No, that's too much. How much to take us to the city?' They had booked it via the app, so we had their phone number and everything, but he pretty quickly worked out that they were just winding him up. Eventually, they were slapping on the windows, kicked the door and broke the side mirror and pulled out the key. He was parked in the middle of the road, which was very inconvenient for the next morning's commuters. The police came and they took all the fingerprints and they identified via the camera the person who did it. Those sorts of things, we do not mind paying for, because they are so important.

Mr WHITING: That is what we hear. You are required to have it.

Ms Hasted: If in that situation he had pressed the alarm we would know exactly where he was regardless of telephones and regardless of whatever else. It is very important to us, but the CTP is inequitable.

Mr WHITING: You said earlier that the revenue has collapsed. Where does Apollo Taxis operate?

Ms Hasted: Out of Mansfield.

Mr WHITING: From listening to owners and operators in the regional areas—certainly in Mackay yesterday—a lady claimed a drop in revenue of about 50 per cent and in Townsville and Rockhampton about 40 per cent. Can you give a figure on approximately how far that revenue has dropped and what time frame that has dropped in?

Ms Hasted: In what I have tabled to you, I have put in 2013 figures and 2016 figures of a driver—his wage and what comes out of it. I pay all the fuel and insurance and that sort of thing. It is there, but I would estimate about 35 per cent.

Mr WHITING: That would be within the last two years, you would say?

Ms Hasted: Yes, the last two years, but I went back to 2013. At that point of May 2013, we did not know anything about Uber.

Mr McEACHAN: I am interested in the issue of CTP, because at the moment you pay \$6,480 and it is identical across the four providers?

Ms Hasted: Yes.

Mr McEACHAN: That comes to a risk assessment—that that is how much money they need out of the taxi industry to cover their risk exposure. Yet from my understanding we have an influx of new vehicles in that space where the risk assessment is that it is \$300, or whatever it is, for a normal car. I do not understand that anomaly. I am not asking you to explain it to me; we will leave that to them. Would it be reasonable to think that, as the insurance companies have made that assessment at around the \$6,500 mark, that should also apply to the incoming entrants? Perhaps we could make a recommendation that they pay that entrance and relieve the taxi industry for 12 months of the same fee.

Ms Hasted: I think definitely that would work and it would help the industry greatly. Obviously, as you have heard behind me—

Mr McEACHAN: Would that be closer to a level playing field?

Ms Hasted: Yes it, would. It would go a long way towards a level playing field—an extraordinarily long way. In my submission you will see that there is an Uber driver who has done something like 81 hours for the week. It is not like taxis—they are not on the road all the time so, therefore, they should pay more insurance. These Uber drivers are out there full-time, if not working a lot more than what a taxidriver is. That is actual footage I have of his weekly statement from Uber.

Mr McEACHAN: Thank you.

CHAIR: Thank you very much. Thanks for your time today.

COLLINS, Mr Greg, Managing Director, Complete Taxi Management

COLLINS, Mrs Maria, Complete Taxi Management

FIEBIG, Ms Jacqui, Committee Member, Limo Action Group

HUHSE, Mr Daryl, Committee Member, Limo Action Group

SINGH, Mr Amandeep, Manager, Complete Taxi Management

CHAIR: I understand that Daryl is vision impaired. Before we speak to Daryl, could we say our names so that Daryl knows who is speaking?

Ms Fiebig: Thank you for having us along today. I have met all of you before in my personal submission. Today, we are here representing the Limo Action Group. We are a very newly formed group—8 October—of limousine licence owners. Our group is growing daily. We represent now about 50 individuals—over 120 of the 583 limousine licences here in Queensland. Very soon I would say that we would have the majority of the licence owners as part of our group.

We are not going to go into the devastating personal effect—that is in our submission and you have all heard that very empathetically, and thank you for that—or the flaws in the system which, again, have been well documented. We know what we feel would be a fair solution for limousine licence owners and also we have some ideas about how the government can pay for this and generate some extra revenue as well.

I realise that our submission was late due to us not knowing about the hearing prior. Daryl, who is here today, is probably someone I would say who has the most knowledge of this industry. Daryl will tell you our ideas and he will also be able to answer any questions that you may have in regard to the limousine industry and limousine licences.

CHAIR: Thank you for that. Daryl, could you speak briefly, being aware of the time?

Mr Huhse: My name is Daryl Huhse. I am an operator and investor in the industry. Up until last year I held every accreditation for passenger transport in this state. At the moment I only hold it for limousines. We have scaled back and sold businesses off. I was also the previous treasurer of the Limousine Association Queensland. It is our submission that the current modelling that has come out for the personalised transport system has essentially generated an identical business model to the limousine industry, which is slightly different to the taxi industry. We have a different CTP class. We have CTP 4, which is the same class as hire vehicles or Europcar, Avis, Hertz. It amounts to \$660 for CTP at the moment for a limousine.

The introduction of this parallel model has the consequence of creating a cascade of operators who are leasing licences. They are now handing them back because they can now work in this parallel model. They do not have to pay the monthly service fees or the monthly lease fees of approximately \$400 a month. They are also not having to fork out for their CTP 4. They can go back to CTP 1. Ideally, there are a lot in the industry who would like to keep their licences but, if that is not a possibility with the introduction of stage 2, we would like to see a full industry buyback of the limousine industry. The way that we see that being funded in terms of where the government has missed the boat at the moment is that they could issue a ride-booking licence to all operators. That would incorporate those who are currently working in the limousine industry and those who are currently working in the ride-booking industry. If the government did that, rounding down with some dropping out and increasing the number of ride-booking operators, you are looking at about 600 licences there. At a minimum in the South-East Queensland corner you would be looking at about \$4,800 to \$5,000 a year income per licence. That is an annual licence. The government would own all of those licences and it would generate revenue from those licences directly to help offset the initial outpayment for the buyback.

The current assistance package is \$10,000 per limousine licence. We see a little bit of inequity in that in that there are five different classes of licences—you have the whole of Queensland, rest of Queensland and then regional, which is Capricornia, North Queensland and Far North Queensland. The last sales for a rest of Queensland licence in the market were \$5,000. Essentially, they would be getting an assistance package that is double the value of their licence, where others in the south-east corner who had licences worth up to \$75,000—some have paid up to \$150,000 and \$120,000 for them—would only be getting the \$10,000 package.

The other revenue stream that we see the government could bring in line, and it is from the perspective of monitoring these vehicles and compliance with Transport and Main Roads, is to bring in those vehicles that work in the general services at the moment that are under 14 seats or up to 14 seats in capacity. If they were brought in to also have a ride-sharing or ride-booking licence, you would be looking at another 300 to 400 across the state.

CHAIR: Daryl, do you have this statement in writing?

Mr Huhse: Yes, we have already given it to you.

CHAIR: Thank you because we will have your submission on record.

Mr Huhse: The other thing that we would implore the government to do is to increase the fines for touting and illegal operations. At the moment, to be fined for touting in Queensland is \$485. If you are fined for touting in New South Wales, it is \$5,000.

CHAIR: There have been some strong submissions come through on that one. I will quote one from the other day—I cannot remember who it was. They said to crush their cars if they are caught touting.

Ms Fiebig: We are in agreeance with that.

CHAIR: There are all sorts of strong feelings about that

Mr Huhse: Depending on the value of the car—if it is more economical to sell it, sell it.

CHAIR: Thanks, Daryl. We might move on to Greg and then open it up to questioning.

Mr Collins: Thank you for the opportunity to speak to the committee today. My name is Greg Collins and this is my wife, Maria. I run Complete Taxi Management. Our operations manager, Amandeep Singh, joins us given this issue has significant impact on our staff and our drivers as well. I would also like to support the Taxi Council's submission to the committee. I also want to thank Greg Webb and Kathy Boorman of Black & White Cabs, and Bill Parker and Neill Ford at Yellow Cabs, and Benjamin Wash and Max McBride have been fantastic helping us through this really hard time we are going through. My statement goes into how it has affected us personally as well and the impact on drivers, but the committee wishes us to go straight to the industry adjustment package, which I will, and I will table the rest of the submission.

CHAIR: Thank you and we have a previous submission from you as well.

Mr Collins: Yes. The industry adjustment package is painfully inadequate, poorly targeted and demonstrates a lack of understanding of the actual issues being faced by the taxi industry. The taxi industry adjustment package is a serious breach of good faith evident when licensees purchase their licences and barely allows owners to recoup the stamp duty amounts paid on these government issued products. This puts businesses like ours in a precarious situation where licence values are significantly reduced and the adjustment package is also poorly conceived. We have lost the ability and the means to invest in our business to manage the changes necessary. I have brought with me today a copy of the receipt for stamp duty paid on a licence in 2015 to demonstrate how little the package recognises our investments and the needs of this industry.

Given the lack of fairness in the industry adjustment package, we strongly support and recommend changes to the package that include access to government backed low interest loans to allow industry to refinance liabilities, allowing registration payments to be made monthly to spread out the cost of this investment, that the industry adjustment package funds be released as soon as possible and that a true level playing field be created.

Furthermore, we feel very strongly that the cost of the industry adjustment compensation package should not be borne by the taxpayers of Queensland but rather it should be funded by the market agitators themselves through licensing fees for booked hire services being implemented, through CTP categories being the same for booked hire services and taxi vehicles and through the significant investment in compliance for new market entrants. This issue has been created in a government controlled market by the government's own inaction followed by hasty reform decisions without consideration or concern for the impacts on consumers and the taxi industry. This is not a problem of the industry's making, but we will personally pay the price of the government's failure, incompetence and short-sightedness. We implore the committee to intervene.

CHAIR: Thank you very much. As you know, those points have come through, but it is good to have them on record again and be part of our deliberations.

Mr WHITING: To set a little background, can you let us know about Complete Taxi Management—how many licences you have and when you bought them?

Mr Collins: Complete Taxi Management as a company operates 100 licences, 100 taxis. Maria and I own nine—we own five and a company owns another four, so we will not get any assistance or any compensation on those as it stands right now. In terms of any assistance on the others, we will only get assistance for two. Pre-Uber a new spec came out for the security cameras. We ordered and decided to put the new cameras in our cars, so we have the latest spec cameras. It cost me over a quarter of a million dollars to do that. I think that we need to look at the whole thing. They are very secure.

Mr WHITING: How long have you been in the industry, Mr Collins?

Mr Collins: I started driving a cab in 1982, so I have been around a little while.

Mr WHITING: Whereabouts are your operations located?

Mr Collins: We operate out of Northgate. We have over 400 drivers driving for us, so we draw them out of a large area in the north. We live up here ourselves in the Moreton Bay region.

Mr MOLHOEK: In the area that you cover, has Uber had much impact at this stage?

Mr Collins: Our business is down 30 to 35 per cent.

Mr MOLHOEK: That is fairly consistent with the trends we have seen.

Mr Collins: Our drivers are down 30 per cent. They are hurting very badly.

Mr MOLHOEK: In regard to the app that you use, I understand that ihail or that technology has been uniform across the industry but it gets locked down by catchment or region, doesn't it? Do you have an app?

Mr Collins: We are members of Black & White Cabs and Yellow Cabs, both companies. I use their apps all the time and there is no lockdown on their apps at all.

Mr MOLHOEK: Black & White covers Moreton Bay as well, does it?

Mr Collins: Yes.

Mr MOLHOEK: It is like a greater Brisbane.

Mr Collins: Yes.

CHAIR: It was only in the Far North that we were hearing about the different apps.

Mr Collins: I currently drive and I drive in this area quite often. With all of this going on we had to find out what was going on in our business, so I decided to go out and drive and see what was going on. Rocky drives quite regularly as well, even though he manages the drivers.

Mr MOLHOEK: What percentage of your fleet—I think you said you had 100 taxis—would be the wheelchair accessible maxi taxi?

Mr Collins: None. All our licences are conventional.

Mr MOLHOEK: Is there another taxi company in the area that provides that service?

Mr Collins: There are individual operators who operate that type of vehicle. It was not in our business plan to have that type of vehicle. That type of vehicle is specialised, looking after them and everything. We are not really set up to operate that type of vehicle.

Mr MOLHOEK: You also run your own call centre?

Mr Collins: No. We are members of Black & White Cabs and Yellow Cabs.

Mr MOLHOEK: You just have a centre where you do your repairs.

Mr Collins: Yes. We have panel beaters and mechanical staff who work for us. We have had to cut back. Over the last 12 to 18 months we have cut the staff members back by seven out of a total of 14 internal staff.

CHAIR: I wanted to ask one more question of the limousine industry. With regard to the testing of vehicles, the roadworthy, it is far more rigorous for limousines and taxis than is currently proposed. I just wanted to get your views, particularly Daryl, on the rigorous testing that you undergo for compliance to drive.

Mr Huhse: The limousine and taxi industry are identical in their requirements. With current modern cars—and we have had limousine vehicles that have gone up to 800,000 kilometres in six years—they are not finding any issues until the fifth year. Coming back to a 12-month program is seeing a little bit of sense in the industry from that point of view.

CHAIR: A roadworthy certificate as such, rather than the rigorous testing that you undergo on a six-monthly basis—that is what we have heard in previous hearings. There is inequity there. That is going to the issue of the level playing field that everyone is asking for.

Mr Huhse: I think the legislation needs to be bringing ride-booking operators up to that same level, rather than dropping us further back down.

CHAIR: If there are no further questions, thank you all very much for your time here today.

CASEY, Ms Alison, Private capacity

SPAIN, Mrs Anne, Private capacity

SPAIN, Mr Noel, Private capacity

CHAIR: I welcome our next group of witnesses. Alison, would you like to start?

Ms Casey: Good morning. I wish to speak in relation to your advice on the issues raised in submissions. I am a single, self-supporting 44-year-old woman who owns three taxi licences. I am a cautious, prudent investor. I believe the property rights associated with my licences and their values was supported by the co-regulated contractual relationship between the Queensland government and me.

I need your immediate assistance. My loan expired on 28 September and I am now in limbo waiting for the hammer to fall. The bank advised that they were looking into whether they would continue to lend against taxi plates and suggested that taxi plates do not have a value anymore.

In the advice on issues raised in submissions, at attachment B page 2, it states—

... licences remain perpetual and continue to provide the right to operate in the booked market and taxis retain an exclusive right to the rank and hail market licences retain value.

You say that licences retain value, but can you please advise me what you think this value is as I have to meet with the bank? If you have a taxi licence and you own it in a super fund you also have to put a value in your annual return.

As at the date of the cease and desist order of May 2014, my licences had a value of \$1.6 million and I had a loan for \$405,000, which represented a 25 per cent loan-to-value ratio. I do not have an issue in servicing my debt, the problem I have is that I do not have any additional security to service the loan.

There are only two ways I can survive. The first one is that we need to have a debt moratorium for the taxi industry, just as was implemented for primary producers. The only other way is that I need to be able to access my superannuation. I currently have \$100,000 in super and I am told I cannot access that unless I am in financial hardship and I am going to lose my house. Once again, I do not own a house. I am asking the government if they can step in and make a special case for the taxi industry to allow us to access our superannuation to allow us to survive during the transitional period.

Furthermore, I am registered valuer, a licensed real estate agent and a registered tax agent. If I am forced into bankruptcy it also precludes me from working in those industries because you have to be a fit and proper person to hold those licences.

A way that we have developed to help the Queensland government pay for the assistance package is through implementing a levy or an equal annual licence fee on ride-sharing participants. To calculate the annual licence fee, I suggest that five per cent of the licence value as at the date of the cease and desist order in a particular taxi service licence area be applied. For example, on the Gold Coast if the licences were worth \$600,000, then the share riders would pay five per cent of the value which reflects 30 per cent per annum or \$577 per week or \$82 per day. I think the share riders should pay the same CTP and insurance as taxis.

I have grave concerns around the inequity of the transitional package being offered. There is no relativity between the assistance offered for taxis and limousines based on values as at the date of the cease and desist order. Every licence has a value and every licence holder must be treated equally. Not to do so would be discriminatory. Assistance must not be dependent on individual circumstances. It must not reflect the disruption that has occurred to date.

Ride sharing is like a cancer—not as big a problem in some areas at present but it will most certainly spread and therefore each licence must be treated and assessed equally. That is most straightforward approach. In this regard, I do not agree with the Taxi Council proposal that favours Brisbane and the Gold Coast. It does not matter what town or region a taxi is operating in, the situation is the same. No-one would make a business decision to purchase a taxi licence in any area if they could operate an Uber without any up-front payment.

Prior to Uber entering the market, the average price for a conventional licence in Bundaberg was \$290,333. In Bundaberg a taxi sold on 21 December 2015, since Uber started its operation, for \$146,000. That is a drop in value of \$144,333 or approximately 50 per cent.

The government was not a disinterested party in the operation of the taxi business. The government created the asset and encouraged participation in the industry. It regulated the outcome of the returns by only issuing licences as and when it was determined they were required to meet

passenger demand and service level targets. I have tendered a letter showing that when excess vehicles existed in an area a licence could be withdrawn from that area and transferred to another and the government set the value for the licence based on the average of recent sales. The Queensland government has done a 180 degree policy turn to allow unlimited vehicles to act as taxis which has created a viability crisis in our industry.

CHAIR: Alison, do you have just a little bit more?

Ms Casey: Yes, and that will be it and I am out of here.

CHAIR: The things that you have raised are very relevant. Keep going if you have nearly finished.

Ms Casey: I think you are going to lose control and will increase the chain of responsibility. There are three documents that I have tendered from individuals, car rental companies and businesses operating as taxi depots that provide vehicles for people who operate a ride-share who do not own a vehicle. You have lost control there.

Personally, I believe the only way forward for the government to create a totally fair and level playing field would be to deregulate the industry, buy back the perpetual licences valued as at the date of the cease and desist and allow everyone who wants to participate in the passenger transport industry to pay an annual licence fee and only then will you have a level playing field.

CHAIR: Thank you very much, Alison. Noel and Anne would you like to make a statement?

Mrs Spain: Noel has nominated me to speak today. We thank you for the opportunity to be able to come and speak and put forward our views. Our licences were all purchased on the open market from the state government by tender and we have always complied with the Transport Operations (Passenger Transport) Act 1994 and paid all of our GST and taxes. We have seen the value of our licences disintegrate, our income greatly reduce and our superannuation disappear. We still have financial obligations. Like thousands of other Queenslanders in the industry, we are now facing financial ruin and not knowing how we will make ends meet.

We believe the government acted recklessly and without proper consideration to the impact that the changes would have and the devastating effect that would be felt both financially and mentally to the industry. Throughout Australia so far there have been over 40 suicides by taxi operators.

We believe the government is responsible for the loss of income, for loss of value of our asset and the mental anguish caused by these changes. The changes have left a great lack of confidence in the industry by all financial institutions. The government does not appear to have taken any initiative of its own when handing down the changes, but rather followed the New South Wales model. Queensland and New South Wales taxis have completely different operating models and I personally believe that the government had already made its mind up prior to the white paper being handed down and that the Varghese report was just a smokescreen as licence renewals for June and July were never received. These should have been received if the government had not made its decision on what it was going to do.

The \$100 million package the government has offered the taxi industry is well below fair and reasonable compensation. The amount of \$20,000 would not even cover the operating costs of a taxi for a year. There must not be a cap on the industry adjustment package as every licence is equally affected, regardless of what name they are in. Every licence operates with the same fees and costs and has the same opportunities so they are all be treated equally. To limit the package to two is unfair, discriminatory and criminal. The package should also not be limited to the taxi owners but extended to the operators who are suffering just as much. The 12-month waiving of fees is only a very small part of the total costs of the yearly operation of a taxi. Hardship payments need to be made immediately for those suffering and not in 2017.

We also have major concerns for the travelling public with the reduction in operating standards released by the government and the lack of safety standards put forward for ride sharing. Taxis will continue to train drivers to the high standards they always have. We believe all personalised transport vehicles, including ride-share and taxis, must have in-car approved camera systems and GPS tracking that cannot be switched off and must carry the same insurance, CTP and public liability for the protection of customers and operators.

I also have grave concerns around the price gouging that happens with ride sharing and the sharing of email addresses and personal credit card details with less training and stringent security than Australia. No-one I have spoken to supports a lowering of standards. A fair way forward for the government to make ride sharing operate on a level playing field with the same operating costs as taxis would be to have a full buy back of all licences for the average of the last five sold on the date that ride sharing started in May 2014.

The government had an opportunity to make money from ride sharing by creating a ride-sharing licence at a monetary value and cap the number for viability of the industry—the same as taxi licences are all capped. This licence would be purchased from the government as the government is making money instead of costing it money. In 1986 when the limo licences were first introduced there was the payment of \$5,000 for the whole of Queensland and 2½ thousand dollars for restricted areas.

Anyone who operates ride share, whether it be on a full-time or part-time basis, must be issued with specialised numberplates the same as taxis. This would make compliance easier to monitor. It would allow for customers to know that they are hopping into an approved vehicle, and would well and truly be readily identifiable by passengers for safety reasons. With numberplate recognition being introduced in various places, it would also be an advantage for ride-share to have their own specialised numberplates.

As a taxi industry we are not against competition and never have been, provided it is done on a level playing field. Currently that playing field is a long way off being level. The taxi industry knows that safe and satisfied customers are the key to building strong businesses and this cannot be achieved with an unlevel playing field. With more ride-share vehicles on the road there will also be more congestion and more emissions. Queensland taxi has the highest fleet of green vehicles anywhere in the world. Remember more congestion means higher prices for customers and not just for taxis and ride-share but for all forms of transport.

Ride sharing entered the market with no outlay or expense and the government has been negligent in allowing this to happen. I refer to the government's Transport Operations (Passenger Transport) Act 1994 for the correct rules on operating a taxi. A cease and desist order was issued in 2014 to which, once again, the government did nothing to make them comply.

CHAIR: Anne, did you have too much more because we would like some time for questioning?

Mrs Spain: No, not much more.

CHAIR: If you are reading your submission we already have it.

Mrs Spain: I have just handed it in this morning.

CHAIR: We will accept that as a submission.

Mrs Spain: I have just a couple of further points. The entry of ride-share into regional areas will see the handing back of taxi licences as we already struggle with our work being continually eaten away by community care vehicles and shuttle buses. The booked market in regional areas in a lot of cases is where the majority of our work comes from, so to lose this would be devastating. Ride-share needs to be restricted in these areas for taxis to even have any chance of survival. Taxi licences have property rights and this should be respected.

You asked before about the base fees in different areas. In Toowoomba our base fees or monthly dues are approximately \$900 a month and in Maryborough they are \$1,300 month.

Ms Casey: That is also dependent on the base that operates it. They have assets that subsidise it.

Mrs Spain: A lot of what Alison said, I thought she had read off my notes. It is the same.

CHAIR: We have been getting similar evidence. Being out to the regions in the last few days has really helped us. What we are hearing is that we look like losing taxis in smaller towns altogether if something is not done.

Mrs Spain: You will.

CHAIR: We heard that loud and clear. I had a question on something you said. You mentioned the licence plates for ride-share for identification purposes rather than a magnetic sticker on the back. We have that—

Mrs Spain: Absolutely.

CHAIR: We have heard that. Others have suggested putting a light on top as well. I was wondering what your thoughts are on that?

Ms Casey: They have them.

Mrs Spain: Some have.

CHAIR: We saw a photo of that—and I see a smile from the front row. Whether that becomes mandated or—

Ms Fiebig: Then they become hail vehicles.

Ms Casey: And your definition of ranks is discretionary.

CHAIR: We have had much discussion on the viability of ranks.

Ms Casey: A waiting zone is a rank.

CHAIR: That is where we go to the stricter enforcement that has been suggested for the breaching of that.

Mr MOLHOEK: Alison, there was something that you mentioned earlier in your speech.

Ms Casey: About superannuation? Yes, please push that through for me.

Mr MOLHOEK: No. I think it was something to do with—

Ms Casey: The debt moratorium? That would be awesome. We need that.

Mr MOLHOEK: You were talking about the security of a bank lending or the moratorium on that. You made some suggestion, but I cannot remember what it was.

CHAIR: The debt moratorium, access superannuation.

Ms Casey: Basically, my loan expired on 28 September. Basically, the bank said they are going to look at their situations, whether they are going to lend against taxi plates. Effectively, they are saying taxi plates have no value. I do not have any residential security. I am in a very unique position: I do not think there would be too many people out there like me who have it secured solely against taxi plates. I was one of the very few who got that through. My loan-to-value ratio is very low. As you can see, it was like 25 per cent. That is the only reason that I got it through.

CHAIR: We have heard loud and clear that there needs to be some value, whether government backed or not. That has come across strongly, on the value of a licence.

Ms Casey: Can we speed it up? What am I going to do? Seriously.

CHAIR: The committee has to make recommendations. That is our job and that is what—

Ms Casey: But you say that they have a value. What is their value? I have to be able to go and say to them that they have a value. What is it? You said it does.

CHAIR: No, I said we are hearing loud and clear—

Ms Casey: No, you said it does. In the submission, attachment B page 2, you have said that the licences retain a value. What is it?

CHAIR: I do not know.

Ms Casey: Who wrote that?

CHAIR: I do not know. We want the licence to; that is what we are here for, to get these submissions so that we can make a recommendation.

Ms Casey: But there is no value.

Mrs Spain: Our bank has told us the same. There is no value on taxi licences any more.

CHAIR: That is what we are hearing from the taxi industry that we need to feed back to parliament in our report.

Ms Casey: So what I do say to the bank?

Mr WHITING: Mr and Mrs Spain, thank you for coming today. We have not heard much from Toowoomba, although we have heard from other regions. How many licences do you hold? One or two?

Mrs Spain: Toowoomba itself has 86 licences in town. To give you an example, there are approximately 30 to 35 ride-share vehicles in town, so nearly 50 per cent on top of the taxis. On a Friday night, a taxi would normally take around about \$300 to \$350, may be \$400 on a good night. They are now back to taking between \$100 to \$150. Last Friday night my driver handed in a \$140 take for the whole night. That is the impact that they have had.

Mr WHITING: Can you go over those figures again, on how the income or the take has reduced?

Mrs Spain: The income has reduced. From taking \$300 to \$350 on a Friday night, our driver handed us \$140 for last Friday night. They are telling me there are at least between 30 to 35 ride-share vehicles on the road on Friday and Saturday nights.

Mr WHITING: Do you personally own one licence or two licences?

Mrs Spain: We have three licences in our name and we have seven licences with partners. Those partners started out as drivers for us. They have been with us numerous years. Anywhere from 15 to 20 years those drivers were with us. They could not afford to buy a full licence, so we helped them out by going halves in a licence with them, with the view to them buying the other half down the track, giving them an opportunity as a way of getting into the industry.

Mr WHITING: It sounds like you have been in the industry for a long time?

Mrs Spain: We have been in the industry nearly 38 years. We were 21 and 22 when we bought our first licence and we bought it even before we bought our first home. The bank looked at us and laughed and said, 'You don't do that'. We said, 'We are doing it'. Why did we do it? Because we could see the value and the potential for financial security, for longevity in the industry and for a secure financial backing for our family.

Mr WHITING: I think it is very laudatory that you have helped those drivers get that equity. If you do not mind me asking, do you still carry a level of debt for the licences that you hold?

Mrs Spain: Yes, we do.

Mr McEACHAN: My question goes to the framework for what we as a committee are attempting to do when we report back to parliament. Currently, what we hear from the industry and what we have heard this morning is that there is no certainty, there is no licence value and there is no level playing field. To flip that around, what the industry is asking for is certainty when it comes to licence value and a level playing field that does not drop standards; that you are not afraid of competition but you welcome the competition based on that level playing field.

Mrs Spain: Absolutely.

Ms Casey: They have to pay a licensing fee. If you want to make it fair, give us back our money as of the day of the cease and desist and then allow everyone to re-enter the market. That is the only way you are going to get a fair playing field and then you stipulate what you want. You stipulate the cars, like you do for the taxis. On the Sunshine Coast, I am losing 14 to 28 shifts a month.

Mr McEACHAN: Would it be fair to say that the industry has been in transition since May 2014; it has not happened last month?

Ms Casey: No, this has been happening over the whole period.

Mrs Spain: Uber only entered Toowoomba in May this year. Since then, we have seen a major downturn. We were lucky enough not to be in Brisbane, the Gold Coast and the Sunshine Coast and be affected the way they have been from 2014. However, we have since May 2016, when Uber entered Toowoomba and they did that within six hours of the green paper being released, so that the government could not turn around and say, 'You are not in regional Queensland yet'. We believe that the only reason that they came to Toowoomba was so that they could not be stopped entering the rest of Queensland.

Mr McEACHAN: We have been up all through the regions this week. We have heard evidence that, although Uber is 1,500 ks away, the impact has been that the licences have become valueless. We heard evidence yesterday about a lady who had paid off her house but had outstanding debts on the licence, and the bank has forced her to mortgage her house.

Mrs Spain: Another spinoff of what is happening in ride sharing is that, yes, we have lost value since 2014 when Uber came on, but I was making the point that, even though they have only just been in Toowoomba, we have still felt the effects since 2014. The other thing that is happening is that an Uber driver picks up a customer, then they turn around and tell the customer, 'I'll do it for cash, if you ring me direct or SMS me direct'. Where is your security then? You have lost it.

Ms Casey: And where is your tax?

CHAIR: That is what we have heard.

Mrs Spain: You have lost your tax. The amount that the government will lose in GST from the taxi industry, I would hate to think. That would probably keep us all going for quite a long time.

Mrs Casey: You have created a cash economy. The government removed the cash economy from the taxi industry and we had dollar-per-kilometre rates that they could monitor and see who was out of line, to see who was a tax cheat. You have created the bubble.

CHAIR: It is undermining the actual Uber thing, if they are taking cash.

Ms Casey: Exactly. The taxidivers were leaving the Sunshine Coast in 2014 and driving down to Brisbane, sleeping in their cars and driving for Uber.

CHAIR: Thank you very much for your time here today. We really appreciate it. I call forward the next witnesses.

BAIN, Mr Darryl, Private capacity

HAWTHORN, Ms Glenda, Private capacity

MAURO, Mr Deni, Private capacity

CHAIR: Glenda, would you like to make a brief opening statement?

Ms Hawthorne: Good morning, committee members. Thank you for the opportunity to speak here today. I will keep this brief and to the point. The commencement of the illegal taxi service, Uber, in Brisbane in approximately March 2014, the uncertainty created by the OPT review and now the change in regulations have all had a devastating effect on my family. We are paying off two taxi licences. Until July this year, we also leased three licences. Our fleet of cars that was five is now two. We cannot afford to continue the leases.

My husband is driving our taxi and I am working six days a week in four jobs. My sons will be attending their independent school next year on the goodwill of the school, as we can no longer afford the fees. This was at the school's suggestion, to minimise any disruption to them. At this point in time, we are relying on Foodbank for our groceries, as after the business loans and expenses are paid we do not have enough money for groceries. We have kept this from our family until now, as they also have their taxi licence and, therefore, their own worries.

We need help now. It is quite likely my family will be homeless by 2017. We are on borrowed time. We bought these taxi licences in good faith, in a heavily government regulated environment. We did our research before entering into this business. We have worked hard and followed all of the laws. This government has treated us and our fellow taxi owners appallingly.

CHAIR: Thank you for that, Glenda.

Mr Bain: My name is Darryl Bain. I am a taxi owner in the Redcliffe licensed area. I have a taxi operator licence. I do not drive the cab; I lease it. I do not own it. I have been paying it off for the past 10 years. I have a debt on the licence.

My beef is with the assistance package. I go directly to what I think the problem is: the government has not looked at the holistic approach to the package. Licence values vary markedly from the Gold Coast. My licence was only worth \$400,000, before ride share was allowed to operate. Gold Coast licences were \$600,000. A regional licence was \$200,000. A limo licence was \$70,000. Where is it smart to go to \$20,000, \$20,000, \$20,000, \$10,000? I think it should be a percentage, whatever the percentage comes to. You should sit down and work out what the percentage of the value was.

My licence can only generate X dollars. A Gold Coast licence generates more money than mine, so it is worth more—that was, before ride share came along. I think that they should be looking at a situation where you work out what the licence value was prior to ride share being let in, in 2014, go back five licence sales and that is the average. Take the average of those five licence sales, as was said before, and that is what the value was worth. Then you have a percentage, whether it is 10 per cent, 20 per cent or actually 100 per cent would be great. That is what I am concerned about; the value.

I do not mean any disrespect to limo licences, but to give them \$10,000 on a licence that is only worth \$50,000 is 20 per cent of the value. To give \$20,000 to a \$600,000 licence is nowhere near 20 per cent of the value. That is ridiculous.

The other concern that I have is that, on 27 March 2014, the government took \$340,000 for a Redcliffe licence tender. I tendered for it. Thank God I did not get it, but some poor sap did. They are going to get \$20,000 for that. The government got \$340,000. That is ridiculous. It is an insult that you would come to us and say, 'That's what we are going to give you'.

CHAIR: That is what we are hearing everywhere.

Mr Bain: The other night the Premier went on record, saying, 'We are not the same as other states'. She said that the other night on TV. She said, 'We will not do things the way they will'. What is she going to do? Does exactly the same as New South Wales did, and takes it as verbatim.

CHAIR: This is something we are hearing, as well, Darryl, and this is a question: the difference between New South Wales, as an example, and Queensland. Down there, the rank and hail is 80 per cent of the market, whereas here it is only 35 per cent of the market. Those are rough figures, but that is what we are hearing, so \$20,000 is not even equitable in that respect.

Mr Bain: To say that we are going to get exclusive rank and hail, they are already at the airport. They already have their open rank out there. I was at the Sunshine Coast the other day and they are sitting not on a rank but they are sitting in a line. What does that mean? It looks like a rank to me. Anybody who was in the taxi industry would say, 'That's an Uber rank.' That is what they would say. I am not going to lose my house. I will not be that financially worse off, but it is an insult what the government is doing to licensed owners. With regard to the package, I am still trying to work it out. Can you explain to me who is administering the package? Who is providing the support? What does the support consist of? Who is eligible for the support? Is it going to a training company that is going to get \$3.4 million?

CHAIR: We have put those questions as well.

Mr Bain: Yes. Giving \$3.7 million to a training company means that it is going to get rich on our money.

CHAIR: Thanks, Darryl.

Mr Bain: I am not going to go on any further because I will only get upset.

CHAIR: No, we have certainly heard the passion of what you are saying, so thank you. Over to you, Deni.

Mr Mauro: I had a long submission, so what I am going to do is I will hand these over and will try to just pull the key points out of each section and I am sure you can join the dots. It will be a bit disjointed, so bear with me. Thank you for giving me the opportunity to speak. I am a licence owner and I lease them out to booking companies. I have an interest in several licences. The last one I paid \$505,000 for plus GST in 2013 and across all my licences I am probably about 50 per cent a year, so I have to find quite a bit of money to service them in the meantime. We bought these taxi licences because they were protected by laws and we thought they were low maintenance. We had to put our kids through school, so we thought that that would help service that and we would not lose the capital because we thought they were a protected vehicle. We particularly did not buy any sorts of businesses because we knew that anyone could compete with us, so we thought we were on a safe thing.

In reviewing the changes for the new arrangements, there are a number of things that I want to highlight. I think there is a lot of narrative and perceptions and I think some things have not been dispelled. People continue to create the wrong perceptions about some of the reasons why and some of the things that are happening and I think the general public does not understand this, and licence holders are probably the ones who are going to do the worst out of all this. The first thing is the catalyst for change. Everyone says that it is the technology that is changing, but it is not. The only reason for this change is because someone realised that you did not need to operate in a regulated environment to run a cab and that is because someone just ran illegally and it could not be enforced. If the licence holders knew that we could have done this, we could have done this years ago because you did not need technology. All you needed was a phone and the radios that the taxis used to use. That is wrong. That should be dispelled. If there has been any discontent within the industry or towards the industry, successive governments have had plenty of time to fix that. Nothing has happened.

With regard to the level playing field, as other people have mentioned today, the licence values have gone to nothing. To say that they are still licences and they still have some sort of regulation around them does not create a level playing field. The only way is to compete directly on the same terms. If you want a level playing field as others have said, then either the rideshares like Uber need to pay the licence fees the way it was set up or, as everyone has said, fully compensate everyone and start again. There are only those two ways. In terms of the regulatory process that was used, for other government regulatory processes they had people put in their submissions and there is an independent regulator and they review. All of the consultant reports and everything are put up and it is transparent. None of this was. The only one I could find was a Deloitte submission and it really did not address anything. The green paper addressed some things, but it did not talk about compensation. There was no opportunity for consultation—none—and the white paper was published after the government made their decision or published their decision. We had no opportunity to even work with anyone to try and come to a palatable solution. I will just see if there is anything else here.

CHAIR: Yes, because we are running short of time. We would appreciate that.

Mr Mauro: Yes, that is fine. The thing that got me the most was the compensation. There was a comment about if someone had an investment and it was worth a lot more. For example, if you bought a house for \$50,000 and some years down the track it was worth \$500,000, then because you no longer have a debt on it and you are probably getting, say, \$20,000 a year out of it now, then

the only thing you should be compensated for is the original \$50,000 because that was the only capital you had at risk. If anyone in the room is going to support that or any consultant or any accountant, then I have my chequebook with me. I am happy to do the deal.

CHAIR: That is the nature of investment.

Mr Mauro: I do not think that was appropriate. In any case, I do not think that rideshare is sustainable. I am really concerned that we are winding back. I will not put my kids in an Uber. Because the taxi companies have no choice but to converge back to that sort of platform and arrangements that the rideshare businesses are going to operate under, that means that they will wind back and some of those safety things are going to go and I will not put my kids in a taxi either then; I will just drive them around myself. My big focus is that it is not about an assistance package; it is just about compensation. If you want to level the playing field—I do not have a problem with rideshare coming in—then level the playing field properly, give everyone back their funds and start again.

CHAIR: Thank you very much for that.

Mr McEACHAN: My question is to Ms Hawthorn. If you were to advise us on a recommendation to parliament on the timing of hardship, would it be that any hardship assistance should be absolutely immediate and would it recognise the two and a bit years that you have already been in transition?

Ms Hawthorn: We need the assistance now. With regard to the \$20,000 per licence, that is nothing. That would only cover two months worth of business expenses.

Mr McEACHAN: If I put it to you directly: what would you need us to recommend to parliament that would be—

Ms Hawthorn: That we be fully compensated for the last taxi licence that was sold before ride-sharing or Uber came in.

Mr McEACHAN: Thank you.

CHAIR: That has been pretty unanimous from everyone.

Mr Bain: That is an understatement. The taxi industry was a billion dollar industry. What the government has done has given half of that money to Uber and then paid \$100 million for the privilege. I do not understand how anyone would want to pay for someone else's gain. It is just ridiculous. They should be paying for the gain as we did when we had to buy our licences. That is the way I see it.

Mr WHITING: Deni, I just want to follow up on some of the things that you have said. We talked about the transition payment, and there are other models around Australia—the Western Australia model and the South Australian and the Victorian models. They have all talked about transition payments. Obviously the idea there is helping the holders of the licence to transition into the new phase, and that has been that \$20,000 or the \$30,000 which has been in the South Australian model as well. Leaving aside that that is not compensation but that is a transition payment, what are the things that you would use that transition payment for? Glenda said paying business expenses. What would you use that transition payment for in your case?

Mr Mauro: I am not sure how much the transition payment is, but—

Mr WHITING: It is the \$20,000.

Mr Mauro: All I could do is just put a bit of it towards my loan, but we are talking about \$850,000. I am not entitled to it because I am in a trust, but the stupid thing is I am not a company. I am just in a trust, but I am individual trustee, so there is not much I can do with the profits, whatever is left, and it goes against my PAYG. I did want to say though if the money is to be compensated we are talking about \$1.6 billion worth of capital roughly. That would not be sunk. These people are all investors and that money would circulate in the economy. That would probably generate jobs, that would go back into the economy and that in turn would create more taxes. Every time that dollar is spent it would be reinvested, so that is one aspect of it. I cannot get my thoughts together, sorry.

Mr WHITING: That is fine. I think you have answered the question.

CHAIR: As there are no further questions, thank you very much. We really appreciate your time.

KELLO, Mr Agron, Private capacity

LAU, Mr Waikay, Private capacity

CHAIR: Waikay, I invite you to start with a brief opening statement.

Mr Lau: Thank you, committee members, for your time today. The hearing today is focused on the industry assistance package and specifically my views and ideas on industry assistance for taxi licence owners stemming from the OPT review. To begin, I want to state that \$20,000 per licence suggested in the industry assistance package is inadequate, insufficient and far from satisfactory compensation for an asset valued at over half a million dollars just over two years ago. The inadequacy of this suggested assistance package is further exacerbated by the fact that it was the Queensland government that promoted and appreciated the value of the taxi licence to what it was two years ago. It is the same government body that encouraged private citizens like my family to support and invest in its grand public transport infrastructure scheme. It is the same government that are direct recipients and beneficiaries of all the public tender for taxi licences and subsequent stamp duty from sales over these many decades. It is the same government that has now stood by and allowed the devaluation of the capital value of all licences from their abhorrent failure to enforce their own legislation against public transport operations. It is the same government that now bows to overseas corporations and abandons its own people—Australians, Queenslanders—in favour of popularity.

To suggest \$20,000 is enough for decades of loyalty and support, it is an abomination of integrity and trust. To understand why the assistance package must contain adequate compensation for capital loss of taxi licences, we have to understand where people like me and everyone behind me came from. Today I am before you representing three generations of my family—my parents, my wife and I and my children. Those same three generations have struggled to understand how a government can let this happen. Those same three generations are witnessing the destruction of 30 years of hard work and our family wealth. In 1974 my family—my parents, my sister and I—immigrated from Hong Kong. Little did my parents realise what 1997 would bring when Britain would hand over back over to China, but in 1974 at the height of the cultural revolution where academics, students and professionals were prosecuted we did not wait to find out. We left our family and friends in Hong Kong and we moved to Australia. When we arrived both my parents worked. They worked hard—they worked very hard. They overcame many obstacles on the back of the White Australia Policy. My father held several jobs before answering the call of the Queensland government to support its public infrastructure by being a part of the taxi industry. He first drove taxis as a driver and over the years tendered for his own taxi licence and became an owner/driver. He drove for over three decades working during the day and employing drivers for the evening and weekend shifts. Slowly he bought more licences, employed more drivers and eventually owned a total of four licences, a fleet of taxis and employing dozens of drivers, contributing greatly to our economy.

CHAIR: I am just wondering: do you have this written down so we can take it as a—

Mr Lau: I do, but I want to read it, because you are dealing with three generations.

CHAIR: I understand. It is just that—

Mr Lau: Sir, with all due respect, three people did not make it tonight. I would like to finish my speech.

CHAIR: And others may miss out. All I am asking is if you can make it brief please.

Mr Lau: I will. I will make it as brief as I can, and you can tell.

CHAIR: I can certainly feel the passion in your voice. I am sure we all can.

Mr Lau: For decades my parents and individuals like my parents—and many of them are here today—have supported the government's public transport infrastructure by providing an invaluable taxi service. The government issued taxi licences on a regulated and limited basis based on demand and population growth. This was the government's way of appreciating the value of the taxi licences year after year. Why? So they can demonstrate to individuals like my parents and everyone behind me that it is a good investment; an investment that is backed by the state government; an investment that would eventually allow my parents to become self-funded retirees. 'She'll be right, mate.' Guess what? It ain't right.

In over two years the value of a Brisbane taxi licence has plummeted from \$540,000 to zero. This devaluation is purely as a result of the government's failure to adequately enforce its own legislation in allowing illegal overseas operators to function as a taxi service in Queensland. The

devaluation of taxi licences was further cemented with the government legitimising these once illegal operators to taxi status without a clear path for transition of legitimate taxi business owners like ourselves who supported the government for decades.

How can \$20,000 be considered enough compensation for an asset valued in excess of half a million dollars? Pure economists will tell you that, if an asset generates revenue, then there is value, but that is not the case with our licences. With the current turmoil in our taxi industry, who would pay for a licence when you really do not need one to drive? The answer is no-one will pay and there is no value, as we have already heard from other witnesses. There is no value left in this licence.

Everything that my parents have worked so hard for has now evaporated. If there is one blessing that I am grateful for, it is that my father passed away four years ago before he saw the demise of his life's hard work. How can I tell my 83-year-old mother what is going on? She does not know. She only knows a snippet of what is going on, but you know what? It is hard to hide the sudden drop in monthly income of 25 per cent in just over one year. I have just received confirmation that it will drop by 47 per cent next week. By January next year our income will drop by 59 per cent.

My mother is currently healthy—thank God—but at 83 she has rising medical costs and aged care is just around the corner. My mother receives no government assistance and she has never been on any government benefits. The continual capital appreciation of taxi licences was an undertaking my parents took on believing if they supported the government they will be supported in return.

CHAIR: We are hearing how hard it has been.

Mr Lau: You bet it is.

CHAIR: Yes, and we do understand how hard it is. You have shown that it is insufficient in everyone's eyes here. We are certainly hearing that. What can make it better? Please tell us.

Mr Lau: What can make it better? There are numerous documented recent government buyouts of businesses and assets as a result of change in government legislation. Fishing licence holders in the Great Barrier Reef were bought out at market value in 2004—

CHAIR: Market value; that is what you are after.

Mr Lau:—as was the resumption of private dwellings at market value in the development of Legacy Way and Airport Link. Buyouts or compensation at market value by the government is not a foreign concept. This has been done before. It can be done again.

I want to end with this quote. As Atticus Finch from *To Kill a Mockingbird* said to Scout—

You never really understand a person until you consider things from his point of view ... until you climb into his skin and walk around in it.

Today I know you have heard many stories like mine. Walk a day in any one of the witnesses' shoes who have appeared before you and you will understand how devastating and destroying this ordeal has become.

CHAIR: Thank you very much.

Mr Kello: Thank you for this opportunity, as only our parliamentary committee system has given me a voice in the legislative process. I have had no success in meeting my local MP. I have waited seven months for a reply to my query. You would get one faster in North Korea. I speak on behalf of myself and my father, Peter, aged 83. Our family own taxi licences in Brisbane and the Sunshine Coast.

One, the \$20,000 adjustment package is grossly inadequate. I support the QTC submission. That is a good base to start from. This amount must be reviewed by the government immediately. Our industry is no longer viable in Brisbane. We need an orderly exit. Our incomes have now halved and will go down another 50 per cent in January 2017. I have letters that I would like tabled from operators and my own submission. It is imperative that this committee begin hardship payments and address the level playing field as soon as possible. Centrelink is a federal government department, not a state one, but perhaps the members of this committee could take the time to update Centrelink on licence values, as a lot of self-funded retirees walk in there and they think they are millionaires but these licences are worth zero now.

Two, the level playing field is a misused term in the current environment. To date, no-one has been prepared to produce anything near equality of rules. I would urge the committee to start the level playing field process over again. We welcome competition from all corners. We will take them all on. Come on in with our rules, or give us their rules and we will beat them—not allowing a multinational company in for free which somehow lives in a post tax environment.

For CTP fairness, there should be one CTP class for all public transport. Security cameras are a must in all public passenger transport. In terms of vehicle identification, there needs to be a ride-booking equivalent to taxis and limousines. We need numberplate recognition that can identify if the vehicle is registered, has the correct CTP and meets its safety inspection requirements. The TMR Queensland rego app is also available, and you can just touch it and it will show that that car is fine; it is currently licensed, inspected and insured. An annual licence fee for all participants in personal transport would save TMR massive compliance costs. The above would even out the current inequities and allow confidence to return to our industry. It would be cost free to government. I wish the committee every success in its deliberations.

CHAIR: Thank you very much for that, Agron.

Mr MOLHOEK: Agron, I was wondering who your local member is that you have been waiting seven months to hear from.

Mr Kello: I am glad to tell you his name: Mark McArdle, member for Caloundra. He also goes by other names on the Sunshine Coast, but if I mention them here these girls are going to blush.

CHAIR: It would probably be a little unparliamentary.

Mr Kello: Seven months! I had to go to the party secretariat, I had to go to the opposition whip, I had to go to the deputy—I had to go to everyone. No-one helped me. I waited seven months in a parliamentary democracy. I hope you guys realise that is why everyone is marching to the minor parties. You can pick up the phone and the Katter boys will talk to you. Pauline will too. I waited seven months and my father is a life member of that party. The Centrelink issue is important. This committee has to tell them. There are retired guys now with two licences so they have dropped to \$30,000 or \$20,000 a year. They walk into Centrelink—

CHAIR: And Centrelink still thinks that the value price is—

Mr Kello: Half a million. This man called Peter at 83 will cut his arms off before he walks into Centrelink. My father will not go to Centrelink. He would not even know where the building is.

CHAIR: We have heard that.

Mr Kello: He ain't going there.

Mr WHITING: Mr Lau, does your family now own your father's four licences?

Mr Lau: My family owns the four licences, yes.

Mr WHITING: Is it just four that you have, or have you managed to build it up from there?

Mr Lau: Dad entered the taxi industry in the early eighties and over that time accumulated four licences.

Mr WHITING: Are they held in your name or the family name or trusts?

Mr Lau: No, there are two held in my mum's name, one held in my name and one held in a family trust for my children.

Mr WHITING: You said you were informed that your income would drop 47 per cent.

Mr Lau: Correct.

Mr WHITING: Can you give us a bit more information about that?

Mr Lau: Sure. We received a letter from Yellow Cabs early this week to say that monthly income would drop to \$1,100 by January next year.

Mr WHITING: From or to?

Mr Lau: Before the onset of the ride-sharing app, our monthly income was \$2,650 per licence. In January it will go down to \$1,100 per licence. Currently it is at \$2,000.

CHAIR: Fifty-nine per cent you quoted.

Mr Lau: Correct.

Mr Kello: I have that letter from Yellow Cabs which I can table.

CHAIR: Thank you.

Mr MOLHOEK: In terms of the licences—and, if you are not comfortable answering, that is fine—you said that your father has worked hard for them.

Mr Lau: Correct.

Mr MOLHOEK: Is there debt still owing on those licences?

Mr Lau: There is no debt, but it does not diminish the financial loss that we are suffering from. It is no different from someone buying an investment property and suddenly it has been railroaded and they get nothing for it.

Mr MOLHOEK: I was just trying to understand the extent of the issue, because we have been all across the state. In some cases people have significant debt, not just against their licence but against their home, and they have had licences for many years, and other people have no debt against their licences or their home but they have lost the asset so it is just the asset value for them.

Mr Lau: Yes, but it is still an investment promised by the Queensland government that we would reap rewards at the end of it.

CHAIR: Thank you very much for that. I have said this at every hearing: I speak on behalf of the committee when I say that we do appreciate that the taxi and limousine industries have always played above the line, never operated illegally and followed every regulation. We have heard that that is what you have done and we certainly appreciate that. If any other witnesses would like to submit any papers to the committee today, please let us know.

MILWARD, Mr Peter, General Manager, Passenger Transport Integration, Department of Transport and Main Roads

ROSE, Ms Suzanne, Executive Director, Service Policy, Department of Transport and Main Roads

VAN KUYK, Mr Ray, Deputy Director-General, Department of Transport and Main Roads

CHAIR: Member for Redlands, do you have any questions?

Mr McEACHAN: Yes. I wanted to start with a few questions in relation to wheelchair accessible vehicles and what considerations the department has made so that we can make very informed recommendations to the parliament. Has the department considered the impact on the disabled community and the likely costs to government to provide a replacement service if the current service provided to the disabled community cannot continue as it is cross-subsidised by the profitability of the taxi industry?

Mr Milward: In relation to disability access, people with disabilities can still continue to access traditional taxi and ride-booking services. Taxis will initially continue exclusively to provide services to Taxi Subsidy Scheme members as they have the necessary payments system and meet the disability standards for accessible public transport. Maximum fares will still apply for Taxi Subsidy Scheme services in other wheelchair accessible services regardless of whether the journey was booked or solicited by rank or hail. In developing the new legislation, the government will investigate opportunities for all personalised transport operators to provide subsidised services to Taxi Subsidy Scheme members.

Mr McEACHAN: The evidence we have heard around the state and particularly in regional communities is that a wheelchair accessible vehicle costs approximately \$80,000 to put on the road and it generally lasts five to six years—six years as a maximum. These operators who are looking at replacing their vehicles at the moment are unable to do so because the bank will not finance them because their licence is considered valueless by the bank, which means they are looking at closing down their operation, which means that communities are likely to have no vehicles providing wheelchair access. How do we as a community pay for that? How do we provide that service if the taxi industry is no longer able to provide that service? Is there any estimation on the cost to the taxpayer of providing that service?

Mr Milward: We do not have those sorts of numbers. All I can say is that part of the industry assistance package will provide \$5.6 million to incentivise wheelchair accessible services to prioritise bookings from wheelchair or mobility scooter customers. We do not have that sort of market analysis.

Mr McEACHAN: On behalf of the committee, could we ask that that analysis be undertaken, to be provided to the committee?

CHAIR: A question on notice?

Mr McEACHAN: Yes, a question on notice.

Mr Van Kuyk: We can certainly take that as a question on notice. That sort of analysis is not something that is done overnight. I understand the question.

Mr McEACHAN: I am trying to get an understanding, for me and the committee, so we can make proper recommendations. There is a fair bit going on in the landscape for disabled people and wheelchair access. We are moving to an NDIS system which does not specifically cover transport costs. It comes out of the pool funding for people who are entitled to NDIS. Government subsidies are provided to community networks like STAR community transport in my part of the world, but these are services that are booked in advance and have typically specific routes more akin to a bus service, so it does not replace the service that is provided by the taxi industry. My understanding is that there is a \$20 fee or a \$20 proposed—

Mr Van Kuyk: There is a payment of \$20 per wheelchair accessible taxi per pick-up that is correct.

Mr McEACHAN: Has there been any analysis done on how much that will cost the taxpayer?

Mr Milward: That is the \$5.6 million that I mentioned earlier.

CHAIR: How long is that expected to last?

Mr Milward: It is for the first year. It is \$5.6 million in the first year with the department, in conjunction with the stakeholders and the industry, to go back to government this time next year for further review.

CHAIR: I have a question about what we have heard very strongly about the \$20,000 being the same figure as New South Wales yet the rank-and-hail ratio is very different. In terms of the modelling to come up with that figure, was the different rank-and-hail ratio between the states looked at as part of the modelling?

Mr Van Kuyk: We actually tried to answer that question last time. We took a question on notice relating to the provision of the modelling. I think we have answered that separately.

Mr MOLHOEK: We got a few things through yesterday, Mr Chair.

CHAIR: My apologies. I only had my phone with me when we were away.

Mr MOLHOEK: I have been struggling to read the backlog.

Mr MADDEN: Can you advise of the time frame for the introduction of the industry adjustment assistance package regulation? When do you envisage the first special hardship payments could be made?

Ms Rose: The bill before the House is obviously to establish the head of power for the transitional assistance payments as well as the hardship fund. Subsequent to that, a regulation will need to be drafted and progressed. In parallel with that, we will be looking to establish application processes. It is certainly government's intention to move as swiftly as possible, but it is subject to passage through parliament.

CHAIR: We have heard from a lot of people over the last few days about people who have highly geared their investments with debt and some, indeed, with the family home as collateral. They are reliant on the income stream with the leasing of taxi licences, including self-funded retirees. Will the industry adjustment package—there seems to be some confusion—be targeted more towards those risk groups? Will it be recognised that individuals in these groups could well hold their licence in a trust fund or superannuation?

Mr Van Kuyk: We are also aware of the many varying different circumstances of individuals, companies and trusts with regard to their licences at the operator, driver and owner levels. The whole purpose of the industry assistance package is to actually set up terms necessary for a series of gating processes where people can apply for that assistance. The terms of reference associated with how that will be done would be set through the auspices of the reference committee that is to be set up in conjunction and consultation with the industry.

We do not think we are specialists in this particular area. In fact, I can candidly state that we are not. We will be bringing in the organisation QRAA, who are specialists in industry assistance and/or personal assistance, to actually assist us in (a) framing what those criteria might be, (b) in consultation with the stakeholders themselves, determining what should and should not make up industry assistance to each individual and (c) determining the process we then implement to get it to people as fast as possible. We are not here to actually stall that process. The whole purpose of the bill you are reviewing is to fast-track that and get the assistance out there as quickly as possible.

Mr MOLHOEK: Thanks for coming in again today. I want to come back to the report that was prepared by PricewaterhouseCoopers. Is it possible for us to get even at least a precis of some of the options and considerations for recommendations that were made in that report?

Mr Van Kuyk: Similar to what I said earlier regarding a previous question on notice, that question was asked at the previous hearing a couple of weeks ago. We have actually provided a response to that.

Mr MOLHOEK: The response was that it is cabinet-in-confidence.

Mr Van Kuyk: That is correct.

Mr MOLHOEK: Can I perhaps ask why it was felt that it was needed to be kept in confidence?

Mr Van Kuyk: Because it was considered as part of cabinet decisions. All documentation that is considered as part of a cabinet decision is cabinet-in-confidence and it is a decision for government.

Mr MOLHOEK: Do you think it is reasonable that we are being asked as a committee—

CHAIR: That is asking for an opinion.

Mr MOLHOEK: Okay. When we spoke last time we talked about the proposed model of compensation which was recommended in the amendment legislation. Is it possible for us to have from the department a briefing of the alternative models that were considered by the department? Surely the department would have provided some sort of briefing to the minister as to what the options are. Is it possible for us to have a copy of that briefing note or those briefing documents?

Mr Van Kuyk: I am not sure of that. I would have to check. I am not sure, again, whether the briefing note we have provided, which encompasses both the PWC report and a range of other documentation, is also bound by cabinet-in-confidence. I am happy to take it on notice.

Mr MOLHOEK: I think we need to see that data, because we cannot—

CHAIR: We have been given many options by the taxi industry.

Mr McEACHAN: Can I add to that. The minister has tasked this committee with this inquiry to report back to parliament. To do that in fairness to the taxi industry, we need every possible assistance from the department so we can report back to the parliament properly. I am not having a go at you; I am just saying that that is the position we are in.

CHAIR: We would appreciate it if we could get—

Mr Van Kuyk: We fully understand the question. We understand why you are asking for it. At the end of the day, I cannot give you departmental documentation without it being approved by government. I am happy to supply what I can.

Mr MOLHOEK: Can I ask you a different question in that respect, then. Under freedom of information, is it possible for members of the general public to request that information?

Mr Van Kuyk: There is an RTI process that any member of the general public can apply for and then it will be considered on its merits.

Mr MOLHOEK: Who would make that deliberation—the department or the minister?

Mr Van Kuyk: An independent entity within the department generally. I have no say on whether a document is necessarily released to any individual from a departmental perspective. That is considered by others.

Mr MOLHOEK: Would it be unusual for, say, a member of the opposition to make such a request?

Mr Van Kuyk: I have seen it done before.

Mr MOLHOEK: So that may be an option for the taxi industry, or for us if we are unable to secure that—

Mr Van Kuyk: That is an option for individuals to consider in their own right.

Mr MOLHOEK: I would like to put another question on notice, because I am sure you do not have the data available today. One of the criticisms that has come from the industry is that there has been a failure by government to enforce its own legislation. Is any data available that shows what enforcement actions were undertaken when Uber first emerged, how many penalty notices were issued and then what the progress of that has been up until a matter of a month or two ago when the government ceased issues enforcement notices against Uber drivers?

Mr Van Kuyk: We certainly have that data and we are happy to make that available.

Mr MOLHOEK: There was also a period in the changeover of government when there is no enforcement activity for a season.

Mr Van Kuyk: That will show through.

Mr MOLHOEK: If you could provide that information to the committee.

CHAIR: If we could have it by 4 pm on Tuesday, 25 October.

Mr MOLHOEK: Through the course of the hearings there has been some discussion around the ruling by the ACCC which prevented the taxi industry from having a single app. It was deemed as being anticompetitive. Was the department ever consulted in that process or did the department ever have a view around that particular process?

Mr Milward: We are not aware of that.

Mr Van Kuyk: I am not aware of it, either.

Mr Milward: That is something we would probably have to come back to you on. We are not aware of it.

CHAIR: Will you take that one on notice?

Mr Van Kuyk: Yes.

Mr MOLHOEK: It may be more likely an issue we have to take up at the federal level, because the ACCC is a federal body.

Mr Van Kuyk: Yes.

Mr WHITING: The committee understands that the flat rate of \$20,000 per licence, capped at two licences, is not intended to compensate the licence holders but rather to help with the transition process. It is apparent, however, from our hearings that many licensees are strongly of the opinion that the payments are meant to be compensation for loss of asset value and income. The OPT task force concluded that if a reform process was put in place by the government there would need to be a comprehensive communication strategy developed to inform everyone of the new arrangements. Can you tell us what communication strategy has been put in place to ensure all licensees understand the purpose of the IAAP and the process by which the eligibility criteria will be developed?

Mr Van Kuyk: It was partly answered earlier. I will start with communications. On the announcement of 5 September, an extensive array of communications was released by the department to most industry stakeholders via both web, a range of letters, a range of pamphlets and a range of supporting communication collateral. That was then followed up by over 30 individual and/or group meetings with key members of the industry. It would be fair to say that we have not probably discussed in detail with every single taxi operator or licence holder and nor do we have the capacity to do so. However, we have attempted wherever possible to put out as much information as possible related to the facts associated with this outcome.

In terms of IAAP, as indicated earlier, the intention of that industry adjustment package and what we have put out since 5 September and have dialogued extensively with key members of the industry is that that package is to be determined in consultation with the industry as both part of the stakeholder reference group and also as part of the dialogue that we are having with the industry. We may not, obviously, have accounted for every single person's wishes or wants in terms what they have read and what they have not read and we have no mechanism to do that.

Mr WHITING: Why I say that is that, certainly, as we have heard today, people are talking about this as compensation. We even had one person yesterday who was under the impression that we were going to give \$20,000 and he was going to give back his licence and I had to disaffirm him of that. Obviously, we are emphasising that the communications strategy about this package is going to be crucial.

Mr Van Kuyk: We understand that and I will take that on notice.

Mr McEACHAN: My question is in relation to the residual value of licences. The bill suggests that there would be a residual value of a taxi licence based on the guarantee of rank and hail. Is there any analysis from the department of what that residual value would be—broadly, percentage wise across Queensland or region by region? Has the department had any communication with the banking sector to firm up with the banks that taxi licences are not valueless, that they have a residual value as suggested by the bill?

Mr Van Kuyk: In terms of residual value, it is strongly believed that there is a residual value associated with licences into perpetuity. What that value is we cannot tell you—both today or tomorrow, for that matter.

Banking issues are individual requirements with the bank. We have no ability—I repeat, no ability—to talk to any finance lender in terms of any individual case or values of licences as it pertains to any individual, corporation or trust. That is totally outside of our remit and it is not something that the banking sector would allow.

Mr McEACHAN: The reason I ask is that, if the banks could come to a residual value—which would vary, no doubt, between commercial and regional variations—the industry would be able to leverage off that and that would help in a transition period. To me, it would seem reasonable, because that has been the case up until now—that the bank has had a value on the licences based on the government regulations. They have been an asset that has been valued by the banks. If we could ask that maybe some further analysis be done that would indicate the residual value, that would help give the industry some certainty and help with the transition period.

Mr Van Kuyk: I am certainly happy to take the question. My initial response back to you is that I have no certainty as to how the finance sector would respond to that. They work out their lending criteria, the financial numbers and a range of other aspects totally associated with what they are

seeing and what they perceive to be of value into the future. It is a call that they make, not a call that we can influence. We are happy to take on the question to determine if there is anything we can do in that space.

Mr McEACHAN: Thank you.

Mr MOLHOEK: In regard to CTP insurance, basically, there are four providers and they all charge the same premium. Has there ever been any work undertaken by the department to consider alternative insurance schemes that would be perhaps more competitive, or to somehow deregulate the insurance so that the industry has options?

Ms Rose: I can answer that one. The CTP scheme is administered by the Motor Accident Insurance Commission, which is part of the Treasury portfolio. We work closely with them where we can, but they are the lead on that. I cannot speak on their behalf.

Mr MOLHOEK: Is it possible for us to put the question to them through you?

Mr Van Kuyk: I think that it would be an appropriate question to ask.

Ms Rose: Noting that they are currently undertaking a review.

CHAIR: Can we ask you to ask them, or do we have to ask them directly?

Ms Rose: We can do it.

Mr MOLHOEK: You can do it or we can write to them. Has the department done any other financial modelling on potential licence buybacks or alternative programs in its work in preparing for this current proposed amendment?

Mr Van Kuyk: As indicated at the previous hearing that we were at, I outlined that there were a range of different options considered by the OPT and by the department in preparation for the proposed changes and the changes that have occurred. That included a complete buyback. I heard someone here earlier—it might have been you, Mr Chair—say that it is a \$1 billion industry. A buyback would be well over \$1 billion in terms of financial cost.

Mr MOLHOEK: Were there any other alternatives or mid-range options considered?

Mr Van Kuyk: There is a range of different factors that come into that. At the end of the day, there are 100 potential variants and options. You have heard many of them from the industry, I am sure, as have we. Coalescing that into what is a reasonable, relevant and appropriate outcome for every single individual operator and owner is nigh on impossible given the varying financial circumstances. The government has chosen to take this particular course of action, as it lines up with both their fiscal responsibility and the views that have been expressed through both the OPT and other jurisdictions.

Mr MOLHOEK: There would have been finance modelling done on other alternatives.

Mr Van Kuyk: As indicated previously, that is correct. That is bound up in the PWC modelling work.

Mr MOLHOEK: That is contained within the PricewaterhouseCoopers report?

Mr Van Kuyk: That is correct.

Mr MOLHOEK: Has there been any modelling done on the potential impact of increased ridesharing and taxi services on the revenues and viability of public transport routes?

Mr Van Kuyk: This is probably not a response you are going to want to hear, but that is also part of the PWC report in terms of what is the economic benefit to the state in terms of the adjustments made and that was valued at somewhere between \$400 million and \$500 million per annum.

Mr MOLHOEK: The \$400 million or \$500 million per annum—

Mr Van Kuyk: Was benefit to consumers. That is the perceived benefit to consumers in terms of changing the rideshare marketplace.

Mr MOLHOEK: By making it more competitive, it opens up other options?

Mr Van Kuyk: It opens up other options, other players and a different marketplace. That is correct.

Mr MOLHOEK: One of my observations is that it is obviously cheaper to get an Uber from my neighbourhood than it is to catch the bus, particularly if there are two people. Contained within that PricewaterhouseCoopers report there is, I am assuming, an assessment of the impact on public transport income?

Mr Van Kuyk: To a degree, yes, that is correct.

Mr MOLHOEK: But again, we cannot see that report, because it is cabinet in confidence. In regard to the whole issue of disruptive technology and overseas markets, has the department done any analysis or been asked to do any research into trends where this has occurred in other markets? I am particularly interested in whether there is any evidence to suggest that these services peak and then taper off and then you get a degree of stability, or whether it deteriorates. Has there been any work done in looking at other case studies around the world?

Mr Van Kuyk: There has to a degree. All other jurisdictions, especially international jurisdictions, are somewhat different in terms of their models and how they have approached this. It would be fair to say that Uber and/or other rideshare proponents have only been in the marketplace for probably two to three years in general. All marketplaces suffered exactly the same sort of issues in terms of community uptake, community change, impact on taxis, impact on limousines and associated changes in the rideshare marketplace. Coupled with that, there is now a range of jurisdictions looking at DRT, which is another form of rideshare. All of the rideshare proponents are now looking at a range of different market opportunities associated with picking up multiple passengers rather than one. The international marketplace is showing us that the trend in this space will continue.

Mr MOLHOEK: Was there ever a formal report written on any of those trends?

Mr Van Kuyk: Not to my knowledge, no.

Mr MOLHOEK: How would we be able to assess?

Mr Van Kuyk: The department has done some recent work associated with not so much the trends in the rideshare marketplace but what is the future for public transport per se. I am happy to share elements of that, if that assists you in your findings.

Mr MOLHOEK: Is it possible for us to have a copy?

Mr Van Kuyk: Yes.

Mr MOLHOEK: Yesterday, I asked the taxi industry if they are aware of any instances globally where ridesharing has been successfully managed or regulated by the government and the comment they made is that, in their research, 54 jurisdictions had been deregulated and 52 of those had to be reregulated within eight years. Has the department done any work in this space as to the potential long-term impacts of deregulating the market, as we have so kindly done under regulation?

Mr Van Kuyk: I do not understand the deregulate and then reregulate within eight years, because the rideshare presence has not been for eight years. That might be related to a slightly different issue. In terms of whether we see reregulation required into the future, at this point in time I cannot comment. I do not know.

Mr MOLHOEK: In terms of the current legislation that is before the House and the proposed amendment, has the department been asked to start work on the preparation of draft legislation that has been alluded to with a further range of changes?

Mr Van Kuyk: Yes, that is correct.

Mr MOLHOEK: Has there been any suggestion that some of those changes, or that draft, might be brought forward as amendments?

Mr Van Kuyk: Not to my knowledge.

Mr MOLHOEK: Thank you.

CHAIR: I thank the department for their time. Thank you very much.

MITCHELL, Mr Brian, Owner and Operator, Quicksilver Limousines

CHAIR: Thanks, Brian. It is a rather unique circumstance, but you were on the witness list. Thank you for coming.

Mr Mitchell: Ladies and gentlemen, thank you very much for indulging me. I unfortunately had to do some work to pay the bills. My name is Brian Mitchell. My wife and I own and operate Quicksilver Limousines. Our super fund owns two whole-of-Queensland limousine licences. The legislation of private budget taxi services has had a significant effect on the limousine industry within our area of operations. May I first address the effects on us as operators?

Budget taxi services have been introduced and are currently permitted to operate without the requirements imposed on current industry participants for class 4 CTP licences, inspections and, most importantly, fatigue management plans. These government requirements are a considerable burden on our operations. However, when the budget taxis are required to meet the same requirements, we as operators will be ahead of today's conditions because of the increased life of our vehicles and reduced costs of leasing limousine licences.

This leads to the second part of our operation as owners of two licences. Our super fund purchased two of these licences in the belief that as a government issued instrument they would be a good ongoing income for our retirement. This was the case prior to the appearance of the illegal budget taxis and has been worsened with the legalisation of them. When we started in the industry 10 years ago, the cost of leasing a limousine licence was in the order of \$700 plus GST a month. The advent of the illegal operators saw these costs reduced to \$400 plus GST a month. Legalisation of the budget taxi operators has seen a further reduction to \$100 a month. I can lease as many licences as I want. While this is great for ourselves and other operators, it has destroyed the investment of all licence owners and requires fair compensation from the government, who sold, issued and regulated these licences. It is entirely unethical for a government to destroy an asset which was created by that government. We are far from alone as people have invested a considerable part of their future in a perceived safe, low-risk asset only to see it destroyed by an ill-considered decision.

In conclusion, may we suggest that the reduction in vehicle inspections to be done 12-monthly instead of six-monthly is a retrograde step in passenger safety and even more so when combined with the unlimited life, subject to inspections, of the vehicles. The saving of \$80 per year should not be a consideration when passenger safety is compromised. Thank you for your time.

CHAIR: Thank you very much, Brian. Are there any questions? We have questioned the people from the limousine industry. We asked a question earlier about the inspections and the inspection regime.

Mr Mitchell: Is there any timetable for when the 12-month inspections will come about? I had one inspected a week ago and Transport and Main Roads had absolutely no idea at all why it was only extended for six months. I have another four booked which I have paid for. Nobody has any idea at all.

CHAIR: Sorry, I cannot answer that one either. Thank you very much for your time, Brian. I would like to thank everyone. We do appreciate you taking time out of your busy schedules. Brian has obviously been working today as well. We are due to report on this bill by 1 November 2016. I now declare this public hearing closed.

Committee adjourned at 12.48 pm