




Speech By
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MEMBER FOR LOGAN

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HEAVY VEHICLE NATIONAL LAW AND OTHER LEGISLATION AMENDMENT BILL

 **Mr POWER** (Logan—ALP) (5.33 pm): I rise to speak on the Heavy Vehicle National Law and Other Legislation Amendment Bill. I served on the Transportation and Utilities Committee that examined the bill and endorse the unanimous decision of the committee to recommend that the bill be passed.

The bill has two major functions. The first is to ensure harmony with the Heavy Vehicle National Law to provide for a single national law to regulate the use of heavy vehicles. Specifically, it places some further obligations on identified off-road parties that are involved in the packing and loading of goods for trucks. This creates a chain of responsibility for parties to ensure the safety of transported goods on trucks. The aim of these amendments is to improve compliance and to simplify enforcement.

The committee heard from Mr Gary Mahon of the Queensland Trucking Association and Mr Graham Hoare and Mr Mathew Munro. They spoke of the specific challenges of the chain of responsibility in the industry. The committee recognises this specific challenge and made a recommendation that this be examined with the responsible ministers in the ongoing consultative process to make this part of national law. I thank them for their participation.

We live in a disruptive age. Computerisation, the internet and robotics all hold great promise to deliver—

Madam DEPUTY SPEAKER (Miss Barton): Order! Member for Logan, my apologies for interrupting you. Speaking of disruptive, there does appear to be a lot of conversations being had in the House on both sides. I would ask that if members want to have conversations they please take them outside. The member for Logan is struggling to be heard.

Mr POWER: We live in a disruptive age. Computerisation, the internet and robotics all hold great promise to deliver efficiencies and benefits. However, we also know that not all innovation or disruption enhances or benefits society. Further, we must recognise that disruption or innovation can create an overall benefit, but can be negative for some who have made an investment on a particular assumption. The role of government in choosing where regulation should be retained to ensure a public benefit or where regulation is not needed due to societal or technological change is not easy. There is no universal template to apply to ensure the maximum benefit for Queenslanders.

We know that when it comes to booked personalised transport we may see profound changes when automated transport once again transforms personalised transport. Even before we move to automation, the ability to, from your phone, quickly summon a car and driver, specify a destination and receive and pay for the ride while creating a record of your movement is argued by some changes the nature of the necessity for some regulation. It, however, also raises other questions of regulation in the same space that will be an ongoing challenge for governments across Australia and indeed the world.

The current changes still rely on the use of a single driver, a single car, tyre and engine wear et cetera and the need for insurance for passengers. I hear that the demand for cameras for security are still part of the underlying cost and productivity equation. Automation will have a much more profound productivity benefit.

To deal with this transition this bill enables the government to make transition payments to existing licence holders in the taxi industry with the aim of transitioning the industry. The committee endorses and supports the aim of this bill. It had extensive feedback from the industry.

Having heard some of the previous speakers, I have to say that, although they have been in this place longer than me, it seems that they have a different view of the committee process from me. The member for Glass House does not seem to understand that the committee process should be robust. I acknowledge that the Minister for Transport knows exactly how robust the committee process should be—that is, that the committee process should be one where people go out into the community, listen to ideas, present the ideas and be part of government.

We know that under the previous government committees were rubber stamps and were silent. They never brought forward the ideas of the public. This is what was wrong with the previous government. I commend the Minister for Transport because he knows that we need to be out amongst people—that we need to go to Mackay to do hearings, to go to Cairns to do hearings, to go to the Gold Coast and Currumbin to do hearings and to do hearings here. I commend him because he, unlike the member for Glass House, knows what it is like to listen to people.

Many speakers have effectively given a longwinded apology for both the previous LNP government and the member for Indooroopilly. We have heard the members for Glass House, Southport, Redlands and Whitsunday all apologise for the fact that nothing was done and that they created a space where the value of taxi licences was reduced. We heard throughout our hearings that the LNP did nothing. We heard the member for Burleigh rather pompously say that decisions we make in here affect people's lives. That is undoubtedly true. He did not seem to realise that taxidriviers and the industry know that the decisions that the LNP failed to make affected people's lives.

When it comes to the speakers we have already heard and the speakers we are yet to hear, how much noise did they make during the LNP government? How many times did they go to Mr Emerson and explain these plaintive views which certainly I had heard on the streets? It is only this government that is going through the process of trying to transition the industry and determine the best value for Queenslanders.

The committee was charged—indeed, the member for Kallangur and I were charged—by the minister to go out there and actively listen. The committee has listened to the extensive feedback and has made a number of recommendations. We were encouraged every single time by the minister to make recommendations because this is the type of minister he is. He actively wants to involve Queenslanders and to listen to what they are saying.

We heard from Mr Ben Wash of the Taxi Council of Queensland that the nature and challenge of transition may be different in Queensland than in New South Wales. In New South Wales we were told that the industry is far more fragmented and that some 80 per cent of all work undertaken by taxis in New South Wales comes from either a passenger hailing a taxi on the street or from walking to a rank and getting a taxi there. In Queensland the industry has moved over the last 20 years to encourage and develop booked calls, and only 35 per cent—versus 80 per cent in New South Wales—of Queensland taxi work comes from ranks.

We heard that the industry has had for some time used apps to order taxis. Indeed, I regularly use the taxi app and find it convenient. It should be noted though that app booking services are not the key difference between taxi companies and other point-to-point booking services that have emerged. We also heard that the taxi companies valued the training, presentation and language skills of their drivers. While some wanted this to be continued to be mandated in a specific way by regulation, the alternative argument is that the companies themselves determine the best way to ensure the standard that they see as being of value to their customers.

The committee heard from taxidriviers and operators such as Mr Shane Holley that taxis have higher costs that are a product of regulation—higher costs of livery, age of taxis, CTP, insurance, regulated cameras and other costs. Taxidriviers also noted that they are required to collect GST from the first dollar they take in, unlike current ride-booking services. Of course, that is a matter for the federal government and one that no doubt those who have plaintively bleated on the other side could take up with the federal government.

The report made a number of recommendations to this process reflecting the contribution of participants at the hearing. We heard and made recommendations regarding the varied nature of ownership structures of taxi licences—we asked the minister to consider that as part of the whole package—and recommended that the transition payment process reflect the hardship and varied need of licence holders. I am so pleased that the minister, who was already moving in that direction, encouraged us to listen, encouraged us to give consideration to it and to make recommendations, and he took those on board. That is good leadership in this field.

It was further recognised that wheelchair taxi operators and licence holders may face special finance and other challenges in transition, and it was recognised that the NDIS and other sources of funding are not clear. Again, we saw the minister, who was already in that space, make further changes to ensure that there is now certainty for wheelchair taxidriviers. The committee recommended that the minister investigate financing problems, as I said. The committee also heard from limousine licence holders who expressed that, although their level of investment was less, they did not have access to rank or hail work under the new anticipated regulation and that their value may correspondingly fall further.

Many of the other recommendations were suggestions for the minister to consider during the process of formulating the next stage of the process. We were encouraged to do that as well, even though that was not formally part of this bill. These regarded the cost of annual licences for non-perpetual licence holders, the safety and camera requirements, registration, CTP and insurance, as well as penalties for noncompliance with the new act. I note that the minister has moved proactively to introduce new penalties for noncompliance such as lurking within taxi ranks.

The next stage of this process is important in the transition for the industry. We also heard from individuals and representatives of families who feel lost and hurt as they see their investment lose value. I was particularly impressed by one young woman who told the story of her father's decades long commitment to providing for his family through driving and slowly paying off his taxi licence. He recently lost his life and hoped that the licence, as his one major asset, could provide for his widow. As she described the uncertainty and feeling of loss and bewilderment, there was hardly a dry eye in the hearing room. I know that the other members of the committee empathised deeply with those who told their stories, no more so than the member for Kallangur, who wanted all of these stories to be heard and put on the record. I thank every participant for their direct, heartfelt and passionate views about the industry they love. Many of them privately also reflected on the fact that they were in this position because of the inaction of the LNP government in the previous term.

I was happy to serve on the Transportation and Utilities Committee through this process. It was at times heart-rending as people came to us with tears in their eyes as they explained the uncertainty of their situation. Many were extremely proud of their or their families' many years of serving the public through the taxi industry. They had assumed that their investments in a taxi licence would always steadily increase. The transition is very difficult for these proud, hard workers. This new approach to them represents a threat to an established system. Our job in this place is to see whether there is genuine public benefit for Queensland. The first step is certain—to support the passage of this bill to provide funds for transition for the industry as soon as possible.

The second stage will address more directly the challenge of technological disruption to a regulated industry. Deloitte Access Economics issued a report in 2016, sponsored admittedly by the biggest non-taxi ride-providing company, to look at the economic effects of the new technology and point-to-point ride providers that are not regulated. The Deloitte report states that these ride-providing services share certain characteristics.

They use a digital platform to connect drivers and riders. Deloitte correctly claims this lowers transaction costs. Yet, as we heard in evidence, the existing taxi services have an equivalent digital platform and app, though others have told us that in the past the taxi app did not adapt as quickly to have all of the functionality that others had—but it seems to have caught up. Further, we heard that 50 per cent of calls to the taxi call centre are handled by an automated digital system that directs the taxi to the house or business from where the caller has called. Both of those systems lower transaction costs for the consumer and for the company.

The report also states that ride-providing services provide a bi-directional rating system 'reducing information asymmetries'. However, taxi service apps also provide such ratings and, unlike other services, do not use an algorithm to slowly reduce fares for drivers—effectively using a robot to reduce a worker's hours—or reduce services for customers as taxis are required by regulation to provide a service for all comers. The question would be: do we wish to see a Queensland worker effectively sacked by an algorithm—never to be told they are sacked but instead given less and less work without human intervention?

Some non-taxi services use a system of demand based surge pricing to further increase the supply of drivers when demand is high. This is indeed not used by taxis, but then this pricing system has both positives and negatives and could easily be implemented by the taxi systems as many taxi yards have substitute taxis that could be used during times of high demand. In fact, we heard at the hearings that there is a limited capacity to do this under the existing legislation.

The report does not highlight that taxi and non-taxi services share many costs. They both have a similar cost of a base car, of tyres and of fuel and each has the time of the driver taking the passenger to the destination.

The Deloitte research paper identifies that, in Queensland, if you take the percentage by population, there is \$13.8 million per year in public benefit. This report admits that this does not price the loss of reduced rents to licence holders or price any other losses that extra supply and disruption may cost existing drivers that would normally be included in such public benefit calculations. The report—that is, the Deloitte Access Economics report commissioned by the company—makes the claim from the company's data that fares on average are 19.8 per cent cheaper than equivalent taxi rides. This claim is supposed to be inclusive for the surge pricing that presently means consumers pay a multiple of the standard fare.

We have heard from submissions that non-taxi ride-providing drivers do not pay GST from the first dollar received as taxis are required to do. If the federal government begins applying GST to these services or takes the GST off taxi services, then this 19.8 per cent difference is reduced by 10 per cent. We have also heard that there are extra costs for taxis including registration, CTP, insurance and security and camera costs. There is also the cost of livery, uniforms and wired lights all regulated by past regulation. Of course, there is also the cost of renting a licence which, at the time of the Deloitte report, was around \$48,000. Since then it is much reduced. Although the report calls this an economic rent, it is a product of regulation. We have heard at the hearings that this cost has been reduced by half.

With the regulated costs either equalised or removed, it seems that there will be very little difference in price left between the two types of services. With prices similar or equal, the equation for non-taxi services would be very different. We should note that, although the barriers to entry may be limited, where one player has a dominant network coordinating the most drivers, there may in the future be an effective monopoly that may make economic rents of a different sort for the dominant player or duopoly.

With the indulgence of the House, I would like to note that tomorrow is the 27th anniversary of the election of the Goss government. As the member for Logan, I have spoken before about the support Mr Goss gave me as a past member for Logan. I would love to be able to ask him about his ideas on this bill, about this challenge to public policy. Just as he did when he was premier, I know that he would have had innovative but fair solutions for Queensland. It is remarkable to reflect on the change that Queensland has undertaken since 1989. We do not have the guidance of former premier Goss. Instead, this difficult decision is one we must undertake without his wisdom. I commend the bill to the House.