




Speech By
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MEMBER FOR MOUNT ISA

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TRANSPORT LEGISLATION (TAXI SERVICES) AMENDMENT BILL

 **Mr KATTER** (Mount Isa—KAP) (8.49 pm), in reply: I rise to summarise the debate. I would like to address firstly whether these ride-sharing services pass the national interest test and do that in the context of the quality of the service that is provided by the taxi industry. Tonight, it was mentioned that the taxi industry provides \$90 million a year in GST to the Commonwealth. If, as Uber suggests, it provides a superior service and it should be allowed to operate and operate without the regulations that the taxi industry operates under to provide us a service that is safe, then it has an unfair competitive advantage. In that case, the taxi industry cannot compete with Uber. That is the only logical conclusion that we can make. Someone better tell me where that \$90 million in tax revenue is to come from. The money generated from those Australian owned taxi businesses will go offshore. I ask members to please tell me where that money is going to come from. At the moment, we seem to be selling off everything and interests are going offshore. If members want to let the taxi industry go as well, then they should please tell me where the money from the taxes that the taxi industry pays is going to come from. We have to pay for our services somehow. I would love someone to address that issue.

Taxis are legally required to provide a community service obligation. Someone is also going to have to explain to me who is going to come up with the money to pay for the buses and disabled services that are currently subsidised by the taxi industry. I ask someone to please tell me how those subsidies are going to be paid. Who is going to sacrifice some of the budgetary allocation for their electorate to pay for these services? That will have to be done. Old people and disabled people rely on a taxi service, but it is not going to be there. Twenty per cent of a taxi service fleet has to be able to provide transport for disabled people. Uber does not have to comply with that requirement. Uber provides services for disabled people, but they are not required to do so under any regulation. There is no control over Uber's services for disabled people. Members should be ready for that as well. When they say, 'We must let Uber operate,' they should be able to tell disabled people what they are going to do to help them, because the cost of providing them with transport is going to have to come out of their taxes somehow.

Taxis have GPS tracking, fitted cameras and 24-hour rolling security checks on their drivers. Taxidriviers often help police. They are a good contact for police when they are out and about scoping. That is regulated, because the government has that interface. There is a central body. That happens right now. Members should talk to the police about that. The police benefit from that assistance provided by taxidriviers. If members are going to kiss goodbye the taxi industry, they can kiss goodbye that assistance also. They had better have a replacement for that assistance as well.

I want to shine a light on Uber. It is trendy, it is sparkling and everyone loves it. The Uber wave is coming, but let me explain what it means. Uber has seen a gap in the market. It can bypass regulations. The rest of Australia is going to let Uber operate and it is trying to target Queensland. Uber thinks Queensland is a soft target. It does not care about our laws. Uber operates without any

regulations. We are all mesmerised by the new paint job on the cars and how wonderful the service is that it offers at the moment, but we are starting to hear calls from Uber drivers themselves saying, 'We need regulation.' Let us reflect on that for a minute. This company is benefiting from having no regulations. It bypasses the laws. It is going to push out the taxi industry—an industry that we have tried to look after and in which we have invested hundreds of millions of dollars and given security as we do with all other industries. We are going to throw the taxi industry out the window. We are going to let it go, because Uber has a competitive advantage by operating outside of the regulations.

But now we have Uber drivers saying, 'We want regulation.' They have formed a union to say, 'We need to get better pay and we need regulation.' That is farcical. The participants in the industry themselves are saying, 'We want regulation.' The journey has already started for them to inherit exactly what we have now in the taxi industry. But we are going to hand over our taxi industry to a \$60 billion multinational company. We are going to rip the value of taxi licences off these people who are sitting up in the gallery. They have invested their superannuation and their life savings in those licences. We are going to rip that off them and hand that capital value over to Uber, because it bypasses the laws. Uber has forced us to change the laws to suit them. Then they will operate here, suck up all of that value, and send it overseas. That is what is happening. That is Uber's plan. That is why Uber is a \$60 billion worldwide company. A lot of people have been soft targets. I hope we will not be a soft target in Queensland.

I refer to the letter that is contained in the committee report. It states—

We ask the Queensland government to help protect Uber drivers' rights to enable us to offer a safe and friendly alternative travel option for the travelling public.

That sounds very familiar to what the taxis are providing right now. The letter continues—

It is our belief that governments should not abdicate their legal, moral and societal responsibilities and allow any company to become lawful in the state of Queensland without regulations to protect workers' rights.

This is a letter written by Uber drivers. If the situation were not so serious, I would almost find it funny. The letter states further—

Uber is a huge multinational company that has decided to dominate the transportation industry in countries all over the world. One of Uber's major strategies is to classify its drivers as contractors. We believe that it is the responsibility of the Queensland government to protect drivers' rights for the sake of both drivers and their families and so that customer safety and satisfaction may be maintained and continually improved.

As we expected, the conditions of workers will continue to decrease. Uber has said, 'We are not taking 20 per cent of the cut; we are now taking 25 per cent of the cut of every fare.' It has already started. Uber is already flexing its muscles. It has a monopoly over the market. Anything that resembles some benefit to Australia is now being eroded.

I refer to the New South Wales experience of Uber. Recently, the New South Wales government decided to legalise Uber's car hire operations, which breached the taxi hire laws of New South Wales. I find it quite extraordinary that a government in Australia will enforce taxi laws—if taxidriver's do not have their insurance in place, if they do not have their 24-hour rolling checks in place, if they are not offering a 24-hour stand-by service they will get fined for being in breach of the law—but Uber bypasses those regulations to compete with the taxi industry and the New South Wales government pats them on the back and tells them to keep going. I find that offensive. In New South Wales, a foreign corporate monopoly on taxi hire has been created. Fifteen thousand full-time jobs have vanished into part-time employment.

In a deregulated taxi market, we can expect services to plummet. As has been the experience of so many things that have been deregulated in Australia, the taxi industry is going down the same road. As a government, our responsibility is to make laws and we expect our transport officers and our police to uphold those laws that we make. Otherwise, what is the point in coming into this place and passing legislation? Amazingly, for two years unregistered taxi services have been operating in broad daylight. Such is the boldness of their operations that their head office in Brisbane is right next door to the police station.

To allow Uber to continue to operate means that the government is undermining its own revenue base and its own legislation. Transport officers have issued over \$1.7 million in fines to drivers using the UberX platform in Queensland. Apparently, to date all of those fines have been paid by the company, not the individual, which to me speaks volumes. Furthermore, Department of Transport and Main Roads officers gave evidence to the Infrastructure, Planning and Natural Resources Committee that employees of Uber have disabled the access of transport officers to the UberX platforms. I find that little pearly particularly offensive. Someone is out there breaking the law and these pesky law officers started fining them. In return they block them. They stop the course of justice. They stop police officers doing their job.

We are all sitting by and saying that it is all right—until tonight. I find it offensive that they are willingly stopping our law officers doing their job in broad daylight and we are standing by and watching. That is the genesis of this bill. This must be stopped. You could love Uber, you can think Uber is a good service, but breaking existing laws has to be dealt with by this government right now as a matter of principle.

One of the inadvertent effects of encouraging this sort of law breaking activity, and it was mentioned in the committee hearings when I was present, is that people are starting to now fake Uber. It is a free-for-all. If governments are not going to uphold the laws that we are making let us all have a go. Now we have a fake Uber in Cairns. They are not part of the Uber system but they hand out a card saying, 'We are Uber. Come and hire us. The transport officers are not getting us anymore so it is all in, boys. Do what you want.' That is the signal we are sending to the public. I table that business card being handed around in Cairns.

Tabled paper: Photographs, undated, of an Uber services business card [541].

That is the sort of activity that is generated when we turn a blind eye and do not clamp down and tighten laws to address this sort of behaviour.

I would like to speak briefly about the demerit points. We have heard why things have not worked in the past. We have brought this bill forward to provide some grunt, some traction, that empowers our law officers. The transport minister says that the government supports the intent of the bill. The intent of the bill is to make this effective. This is our way of addressing that. There is a safety issue. The other day a man in Mount Isa was charged for using an app while he was driving. We do not condone that. We make laws and issue demerit points for that. He was an Uber driver using the app they use when they are an Uber driver. That occurred in Mount Isa. That is a safety issue that we need to address. Some other demerit based offences that we have are learner licence holders failing to clearly display their L-plates, driving a vehicle in a way that makes unnecessary noise or smoke on Queensland roads and drive, park or permit the use of a vehicle that is defective but not unsafe.

The intention of the Transport Legislation (Taxi Services) Amendment Bill 2015 is to reinforce the current regulations and safety provisions that have been placed on the taxi industry in the past to ensure they work within the safe operating limits identified within the act, to maintain consistency within the passenger transport system, including ensuring current safety measures such as GPS technology, fatigue management and driver protections are upheld.

I want to reiterate the point of investor uncertainty. There is much debate about foreign investment. You cannot mess with that because it diminishes investor certainty. We must not compromise investor certainty within the mining industry. I ask people in this House to consider what it does to investor certainty if a government will not act to strengthen laws when a multinational corporation comes to our shores with a business plan that bypasses existing laws and acknowledges it is an illegal activity by paying a lot of the fines. I ask: what is next? Uber hotels? I can sell booze out of the bottom of my house cheaper than the pub. I can put on a great party. I can set up an app for it. It will be a hip party that everyone on the street will come to. I will not have to operate under those pesky regulations and laws that cost me, so I will be selling my booze a lot cheaper. I do not think the pubs in town will like it too much. I could start selling pharmaceuticals out of my house. It would probably be a lot cheaper than the pharmacies, but I do not think the pharmacy owners will like it too much. What is next? Will we have Uber pharmacies and Uber hotels? We are not willing to fix it in the taxi service at the moment. We are saying, 'That's all right. That's how it is now.' That seems to be the prevailing attitude that allows this activity to happen.

At last count I am told Uber is worth \$60 billion. They have capitalised the value of other businesses, revenue from existing businesses, by coming into that market, encroaching on their markets and taking their market share. That is fine if you are abiding by the laws. It is entirely perverse for a government to watch this happen. They have the competitive advantage by bypassing the laws. They are sucking out those hundreds of millions, and perhaps billions, of dollars of superannuation of Australians and giving it to some multinational that can avoid paying tax in Australia. I think that is perverse. Again, we had better have an answer to how we are going to collect the tax revenue to pay for all our services.

The prevailing attitude of the Uber users, as one of my friends texted me, is 'What are you doing? It is a good, convenient service.' The main default argument used by Uber representatives in the committee hearings was, 'Listen, the change is coming anyway. It doesn't matter if you like it or not as a government, it is coming so just get used to it.' I am paraphrasing, but that is the message. Think about that. Is Uber telling the Queensland government what to do? If it is, I had better cash in my salary, move out and give up. I thought we made the laws here and that we protected these regulations. I thought we were the custodians of the regulations and the laws, not Uber, not the populace because

they think it is really fun and it is a new hip app out there. They do not make the decisions; we do. Someone has to be a grown-up and say, 'I'm sorry. You might get a cheaper ride for tonight, but in the long run this does not serve the national interest.' That is the question that needs to be addressed. 'The tide is coming' is not a reason to do it. It is a scary thought that someone could come to our shores and say, 'This is just how it is.'

A lot of people are saying, 'Hey, Rob, I get a cheap ride out of this at the moment.' Isn't that a selfish attitude? Are we thinking about the greater good here? Is there anyone thinking about their fellow Australians or Queenslanders? Don't we think about that anymore? Are we just thinking about our cheap ride? Even if you are just thinking about yourself, at least think five or 10 years ahead. We cannot put all these arguments into a hundred characters on Twitter or Facebook to capture the attention of the Uber users out there, but they really need to think and we need to be grown-ups and tell them to be careful what they wish for because they are not necessarily inheriting a better service. Yes, it seems better now, but only because they are bypassing the laws and regulations. There is a cost to all this. We are going to be asking for more taxes down the road because we are not going to get it from the taxi industry anymore. There will not be that same amount of multiplier off the economic activity on Australian shores anymore so we will be looking for more tax.

These things need to be thought about in their entirety. There is also the inadvertent cost of people losing their jobs and investor confidence. Someone has to be a grown-up and not follow this populist line and be scared of people texting or emailing saying, 'I like using it. It is a funky new app.'

We have mentioned surge pricing. That is another example of being careful what you wish for. Already people are saying, 'I used to use Uber but, geez, I got stung for 300 bucks the other night.' There are multiple examples. The flaws in the system are already happening now. We must not leave it too late, until after the horse has bolted. If it rolls out too much and we do not stamp on it tonight, the horse will have bolted and we cannot pick up the pieces afterwards.

Many taxidrivers have already gone under. I am not sure whether it has been raised tonight that the banks have stopped lending on taxi licences. The values are spiralling down to zero. As I said earlier, I hope members who own commercial property or houses or have any other business that is protected by regulation contemplate that when they are voting tonight. We all enjoy security around investments of all types of businesses or property that is enshrined in regulations we make in this House. We must stand up now and say, 'Hang on, there is a taxi review coming up. You can wait for that. Until that time you are an illegal activity and you must stop,' which they have not. They have said, 'We have deeper pockets than you, Queensland. See you in court.'

Are we going to walk away from that or are we going to stand up and say to the rest of Queensland, 'We are in charge here. We are the government. You have trusted us to be the government. You have given us your vote and we will do the job for you.' Tonight, we have a duty to perform. I appreciate that the minister agrees with the intent of the bill and I hope that tonight we can send that message. I appreciate what the minister said about the moratorium. Even though it may be important to only a small number of people, it is important that we deliver it for the four people concerned.

In summary, this is a shiny new ball. Perhaps I am wrong and it will end up being a good service, but I do not think it will. I think people need to be careful what they wish for. Tonight's debate is not about whether or not we like Uber. This debate is about clearly enforcing our laws. Let us not blame the past actions of anyone, whether that be the current government or previous government. We have to address an issue that is before us right now. We can either walk away from it or we can put something in place that will strengthen the laws and send a message to the rest of Queensland that we are going to do things responsibly. We want to send the message that states, 'Yes, there is a taxi review and things may change, but until then you are illegal and you cannot operate.' I cannot start up a business in another field and operate outside the regulations and nor should they, especially given the fact that they are an overseas company that is taking money off Queensland taxi owners. Tonight I urge members to consider all these matters. I hope that we can send a message to the rest of Queensland that we are willing to be a mature government, that we are willing to be the grown-ups and that we are willing to take a stand against \$60 billion multinational companies that want to come into Queensland and tell us how to run the government and what our laws should be.