




Speech By  
**Rob Molhoek**

**MEMBER FOR SOUTHPORT**

---

Record of Proceedings, 1 December 2016

## **HEAVY VEHICLE NATIONAL LAW AND OTHER LEGISLATION AMENDMENT BILL**

 **Mr MOLHOEK** (Southport—LNP) (3.22 pm): I am pleased to rise and speak in respect of the Heavy Vehicle National Law and Other Legislation Amendment Bill 2016. I acknowledge the hard work of the committee secretariat and my fellow members of the committee. It was a fairly gruelling schedule that we undertook in terms of public hearings. We conducted a hearing on the Gold Coast at the end of a sitting week when I think we were all a little weary. Subsequently, the following week we travelled to Cairns, Townsville, Gladstone, Rockhampton and then finished the week out on Friday in Caboolture and then returned back to parliament the following week for another morning of hearings.

We heard a lot of evidence. We had the pleasure of meeting with many witnesses and heard many firsthand accounts of the hardship that many taxi owners, taxidriviers and taxi organisations are experiencing as a result of this fairly rapid escalation of approving rideshare operators. This legislation deals with two separate areas. The first area, of course, is amendments to the Heavy Vehicle National Law which simply brings Queensland in line with other states of Australia, some of whom have already applied the Heavy Vehicle National Law in each of their jurisdictions and others who are certainly in a similar position to us and are considering it. One of the core issues, as the minister said in his opening speech, was ensuring industry can operate across state borders without conflicting regulatory requirements.

In the committee report, which I am pleased to say was presented in a bipartisan manner, both sides of the House represented on that committee were only too happy to endorse the findings of the committee and only too happy to support the 30-odd recommendations that we made to the minister, most of which related particularly to the taxi and limousine industry. However, there were a couple of issues we flagged in respect of the Heavy Vehicle National Law and one of them that we particularly asked for further consideration of was simply that the minister look into and discuss with his COAG partners more acceptable or more relevant chain of responsibility provisions regarding the pre transport of stock. We saw some interesting evidence and photographs of some of the challenges that the heavy vehicle industry faced in transporting stock and some of the effluent and other issues that they have to deal with. There is still some further work to be done but we certainly support those recommendations.

In terms of the taxi and limousine industry assistance aspects of this legislation, we are certainly in support of providing urgent assistance to the taxi industry. The concern we have is simply this: that the minister in his introductory speech spoke about the first stage of reform already having commenced on 5 September this year, which was giving ride-sharing services the opportunity to operate legally in Queensland. My concern is that he has this back to front. The chronology of the matter is that on 5 September we basically took the shackles off and said to Uber, 'Go your hardest. It's a free-for-all and you can now operate legally in Queensland.' Then we said, 'Now we are going to look at what we can do to compensate the taxi industry and help them deal with some of the hardship issues that have come out of that on-the-run decision,' and then the minister has subsequently said that next year, after all the

damage is done and a lot of those families have suffered significantly and the owners have lost lot of money, we are going to look at the legislation and the provisions around the taxi industry to try to make it easier and fairer for them to operate.

I suggest to the House that that process was completely back to front. We should have had a more measured approach. We should have introduced legislation that released the shackles from the taxi industry so they were more able to compete fairly and they had plenty of advanced warning and opportunity to prepare for the change. I am sure that there is no-one in the House who would not agree that disruptive media and technology, the things we are dealing with in respect of ridesharing, are very much the future. It is a struggle for governments in modern democracies in Western societies, let alone other societies, to deal with the rate of change. What we should have done is given urgent attention to making it easier for the taxi industry to survive and remove some of the shackles that all sides of government have placed over the industry over the last two, three or four decades.

Sadly, what we are dealing with now is policy on the run. The minister threw the hand grenade. There was no debate in parliament about whether ridesharing should be made legal overnight and now here we are trying to clean up the mess. Of the many people who we have met with over the last few months, I particularly want to acknowledge Professional Taxis Gold Coast and two of the owners and partners in that business, Sacha Moore and Zara Trengrove. Over many, many months they set out to educate me about some of the challenges. We had many meetings at my office and also out at Gold Coast Cabs and we spent a lot of time talking about what were some of the opportunities that the government could take advantage of in terms of legislative reform to level the playing field and give the taxi industry a fairer go.

I think it is important to understand just how big this industry is. There are some 3,286 taxi licences in Queensland. If you do the rough math and you say they are worth anywhere between \$300,000 and \$600,000 each—at least that was the going price a few years ago—it is a \$1½ billion industry we have just destroyed the balance sheet for. A lot of those families, small business operators and larger companies will struggle to recover from this.

As we come before the House today, my concern in respect of this assistance package is that it does not go far enough. We should not be delaying until next year some of the recommendations that the committee made in respect of reform. We should be dealing with both, hand in hand, in the parliament this week. I want to run through a few of the highlight issues that I made notes of during the hearings. These are some key principles that I felt were important. The first principle is that there is absolutely no doubt that we support the need for some sort of assistance for the taxi industry in Queensland, which is why we support this bill. However, the industry needed certainty and some leadership. The industry needed us to be proactive and to create a level playing field a lot sooner than we did. Therefore, the stage 2 reforms should have been on the table this week in parliament.

We heard from taxi owners and drivers from across the state that they are doing it really tough. Some owners lease their vehicles to other people who then operate those cars on their behalf. We have heard that the typical lease payments were anywhere between \$2,800 to \$3,200 a month and lesser amounts in some of the smaller regions, but they have now dropped to less than \$1,500 a month. The owners of the licences may be trying to service the repayments on loans or may be dependent on the income from the leases to support them through their retirement, but they can no longer rely on that income to get them through. We heard from a lovely lady in Mackay. I think she is 82 years old.

**Mr KING:** Melita is 79.

**Mr MOLHOEK:** I take the interjection from the member for Kallangur. Melita came to give evidence at the hearing. She told us that she had inherited two cars from her late husband. His hope had always been that the leasing of the two taxis would look after her in her later years. However, Melita has had to go back to work. She has had great difficulty finding people who were prepared to drive the two cars. On many occasions on weekends, during the week and late at night, she drives one of the taxis herself to try to make ends meet.

**Mr Power** interjected.

**Mr MOLHOEK:** I take that interjection. I understand that there is no Uber in Mackay, but certainly there is a lot of distress in the taxi industry across Queensland. While Uber may not be directly competing with the licensed taxidriver, because there are concerns about the rollout of Uber across the state Melita cannot sell her licences.

We heard from taxidivers that there has been a significant drop in income, particularly in the south-east. We heard that typically drivers earn anywhere between 30 to 50 per cent less a week than they could have expected pre ridesharing. I want to quote from a letter that I received. I realise that could be dangerous, given some of the allegations made earlier today. However, this is on the public record and they were not closed hearings. The person giving evidence stated—

Let us get to the nub of this argument. Non-owning drivers, of whom there are something like 12,000 in Queensland ... derive their income in direct proportion to the revenue that is generated. This is usually 50 per cent split. I have used a direct comparison for shifts in the same car and period in 2013 and 2016 ...

He then outlined the results. In 2013, for this particular driver nine shifts would have produced an income of \$4,056. When you extrapolate it out, the driver was earning about \$225 per shift, which equated to about \$1,125 a week for 50 hours a week or an average hourly rate of about \$22.50. In 2016 the same nine shifts produced as little as \$750 per week or \$151 per shift, which equates to an average hourly rate of \$12.50. That is a drop from \$22.50 to \$12.50. The driver then went on to say that he could not believe that this war on wages and conditions was actually being supported and perpetrated by Labor. That is an example of some of the challenges that drivers are facing.

I move onto the issue of CTP insurance. We talk about the need for a level playing field. We spent a lot of time asking the owners and operators questions about the cost of operating a cab, the overhead costs, the additional layers and the restrictions as a result of legislation. We heard about the fit-out costs of a conventional taxi. If you were to buy a new car or a second-hand car and fit it out as a cab, it will cost around \$20,000 to fit the car out with all the extra overlays that are requirements under the legislation. If you want to fit-out a wheelchair accessible taxi, you can expect the fit-out cost to be upwards of \$35,000 on top of the purchase cost of the car. If you add in the cost of the vehicle, the taxi industry suggested to us that it costs around \$50,000 for a conventional cab with all the extras and for a wheelchair accessible taxi the cost is typically between \$80,000 and \$90,000.

I turn back to the issue of CTP insurance. We learned that the actual premium for CTP insurance for a taxidriver is some \$6,500 per annum. For a rideshare driver, the cost of insurance is the normal rate of insurance that they pay, which may be as little as \$300 or \$400. When you start to factor in the fit-out costs, the insurance costs, the driver licensing fees and the licence fees that are required to be paid to the state, there is absolutely no level playing field and the taxi industry is at a significant disadvantage in terms of its ability to compete. It desperately needs a level playing field. Therefore, I suggest in the strongest possible terms that those stage 2 reforms that the minister has alluded to, the reforms that the committee unanimously supported with some 30 different recommendations, should have been dealt with in this sitting week. They should not be put out on the never-never, leaving the taxi industry to spend another three, four, five or six months waiting and wondering what its future looks like.

Another concerning principle that I want to touch on is the differential in licence fees. If you run a rideshare vehicle with Uber, there are no additional licence fees. If you run a taxi, there are not only additional licence fees but many operators also pay what they call booking fees to the taxi companies. For some, that can be as much as \$1,200 a month. That is another significant cost overlay that is foisted upon the taxi industry.

There has been some discussion around a fee waiver. In simple terms, all taxi and limousine operators pay annual fees for their licence. Some operators have paid those fees two or three years in advance. Perhaps they had a few good months or they had a particularly good year and have thought that, for safety's sake, they will prepay their fees. However, apparently there is no provision to get those fees back. That was one of the issues that the committee raised. We wanted some clarification from the minister as to whether those operators could now have a full refund of fees that they have prepaid, rather than waiting for some special change, a ruling from the minister or a new piece of legislation to deal with that.

I think the industry was particularly happy with the suggestion that vehicle inspections be reduced from twice yearly to annually. There was a lot of discussion around the need for personal safety and security and the use of cameras. There was a lot of debate around the fact that the requirements placed on the taxi industry are not only so prescriptive in terms of them having cameras but also almost mandate exactly what camera they have to have.

**Mr McEachan:** Overly prescriptive.

**Mr MOLHOEK:** It is overly prescriptive; thank you, member for Redlands.

**A government member:** It describes how you screw them in.

**Mr MOLHOEK:** I take that interjection. The legislation actually describes how the camera should be mounted and screwed in. The industry believed that it would be much fairer and more balanced to simply say that there is a responsibility for the drivers to have cameras and to retain the evidence in a safe manner should it be required. We raised this as something that needs to be addressed. The cost difference between what has been mandated and what can now be installed to achieve that outcome is in the thousands of dollars.

There was a lot of discussion around what the government is going to do to support the industry in terms of the drop in value of their licences. In the committee report we asked that some consideration be given to further compensation or some sort of guaranteed floor price that the government would be prepared to support. We will have to wait until round 2 to hear more on that.

One of the most moving and sad presentations we heard was in Caboolture. A lady and her husband came along. She was having to drive the cab because her husband had had a breakdown of sorts. They had three or four young kids. She talked about having to work multiple jobs to service the loan for the taxi licence and to generate enough income to support the family. The family was at risk of losing their home and had become almost wholly dependent on food parcels and support from a local charity to keep the family fed.

There is so much more that I could say in respect of this legislation. I close by saying that I sincerely hope that the minister gives the stage 2 reforms his urgent attention. I note that today he did table a response to some of our recommendations. I am concerned that some of them were not agreed to and some were agreed to in principle. I sincerely hope that he takes them all on board.

*(Time expired)*