

REPORT ON PROCEEDINGS BEFORE

**PORTFOLIO COMMITTEE NO. 6 - TRANSPORT AND
CUSTOMER SERVICE**

**OPERATION OF THE POINT TO POINT TRANSPORT (TAXIS AND
HIRE VEHICLES) ACT 2016**

CORRECTED

At Macquarie Room, Parliament House, Sydney, on Friday 25 September 2020

The Committee met at 9:30.

PRESENT

Ms Abigail Boyd (Chair)

The Hon. Mark Banasiak (Deputy Chair)

The Hon. Scott Farlow

The Hon. Sam Farraway

The Hon. John Graham

The Hon. Daniel Mookhey

The CHAIR: Welcome to the second hearing of the Portfolio Committee No. 6 Transport and Customer Service inquiry into the operation of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016. Before I commence, I would like to acknowledge the Gadigal people, who are the traditional custodians of this land, and pay my respects to the Elders past, present and emerging of the Eora nation and extend that respect other Aboriginal people present. Today we will hear from five panels of witnesses, including taxi councils, transport unions, rideshare services, individual taxi owners, the New South Wales Government and the Point to Point Transport Commissioner.

I would like to make some brief comments about the procedures for today's hearing. Today's hearing is being broadcast live via the Parliament's website. A transcript will be placed on the Committee's website when it becomes available. In accordance with the broadcasting guidelines, I would remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of the evidence at the hearing, so I urge witnesses to be careful about any comments you may make to the media or to others after you complete your evidence as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

All witnesses have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take the question on notice and provide an answer within 21 days. I remind everybody that committee hearings are not intended to provide a forum for people to make adverse reflections about others under the protection of parliamentary privilege. I therefore request that witnesses focus on the issues raised by the inquiry's terms of reference and avoid naming individuals unnecessarily. Witnesses are advised that any messages should be delivered to Committee members through the Committee staff. To aid the audibility of this hearing, I remind both Committee members and witnesses to speak into the microphones. The room is fitted with induction loops compatible with hearing-aid systems that have telecoil receivers. Finally, could everybody please turn their mobile phones to silent for the duration of the hearing. I now welcome our first witnesses.

BRIAN WILKINS, President, NSW Taxi Industry Association, sworn and examined

GEOFF FARRIS, President, Country Taxi Operators Association, sworn and examined

MARTIN ROGERS, CEO, NSW Taxi Council, sworn and examined

VIC HAZIR, Association Secretary, Taxi Owners and Small Business Association, sworn and examined

The CHAIR: Would anyone like to start by making a short statement?

Mr HAZIR: Good morning Madam Chair, Portfolio Committee members. My name is Vic Hazir and I represent the Taxi Owners Small Business Association, known as TOSBA. TOSBA is a not-for-profit, voluntary organisation and charges no membership fees. From the beginning of 2015, when transport representatives began spruiking the mantra of "getting the balance right" and "creating the level playing field", it was self-evident to most that the Government clearly intended to legalise Uber. The consequences of Uber invading other countries had been well documented and it was obvious we would have to fight very hard for survival of the New South Wales taxi industry and the owners, operators and drivers who serve in it. Little did we imagine how draconian, biased and unfair the impost of the regulation would turn out. It should be noted that the regulated taxi industry has served the State well for over 100 years. It has been the only form of transport that is not only cost neutral to the Government but previously provided great financial benefit to the State.

In 2015 prior to the current regulation, Deloitte Access Economics reported that the taxi industry generated well in excess of \$1.2 billion of financial benefit to the State. That was money that stayed in the State and benefited the State. Now, five years later and under the guise of the so-called "gig economy", literally billions of dollars are disappearing each year into overseas tax havens to the detriment of not just New South Wales but the nation. TOSBA resolves to fight for the return of justice and fair-trading conditions to owners, operators and drivers so cruelly victimised by the implementation and administration of the current regulations. Surely by now, not a member in the House would be unaware that the owners, operators and drivers have seen their livelihood, income, investments and industry decimated by the unconscionable impost of the Point to Point Transport Act 2016. Taxi industry members have lost homes, suffered marriage break-ups, bank foreclosures and severe mental health issues even to the point of suicide.

Currently, TOSBA is providing counselling support for those in need. For such a situation to occur purely as a result of government edict and regulation is a blight on the democratic process of this State. For such a situation to be allowed to continue without rectification will eventually bring shame on those who have professed in their oath of office to pledge loyalty to Australia and to the people of New South Wales. There are a number of issues to attend to if this inquiry is to bring not just meaningful justice to the Taxi Industry but restore its very survival. The first is to rescind and reconstruct the Point to Point Transport (Taxis and Hire Vehicles) Act 2016 to restore fair-trading conditions to the industry. The second is to deliver an equal work environment for all entities under the Act. The third is to instil mandatory enforcement of the Point to Point Transport Act thereafter. The fourth is to address and restrict the unsustainable current unlimited number of rideshare vehicles and licences, which is currently at 125,000 passenger transport [PT] licences. The fifth is to query the current call for buyback. TOSBA rejects buyback in principle, except with equitable and fair conditions. All that owners ever wanted was to retain a viable business and earn a living from it.

The sixth is full compensation for damages for all owners, operators and drivers based on license plate values at market value in 2014, loss of income, loss of opportunity, and pain and suffering. The seventh is to rectify the iniquitous situation of members having their income ability frozen since 2014 with no fare review planned prior to 2021. This cruel impost has been instigated regardless of increased operating costs over the past six years. To our knowledge, what will be a seven-year freeze on people's income has never before been imposed on any industry by any previous Government of this State. In conclusion, if the State is serious in regard to saving the regulated taxi industry, two major issues will need to be addressed. The issues nominated will require a great deal of deliberation that the current inquiry will simply not have the time to resolve. However, resolution on how to move forward can be tabled for continuing progress.

Initially, the issue of financing necessary reform to bring justice and equality to the industry is paramount. Secondly, the issue of uniting the industry to be justly competitive with rideshare and raising the level of service to the public is equally paramount. A logical start for the second issue would be the establishment of a "mother app" for taxi bookings, administered under government direction as is currently being introduced in other countries. This can be quite profitable for the Government and a benefit to the travelling public. I would like to thank the Committee members on behalf of TOSBA for lending me their ears, coming with open minds and I would also like to put on record that the Shooters, Fishers and Farmers Party have made this day possible. Now I would ask you and your Parliament colleagues to look inside your hearts and find the key to right the wrong for

the past and, more importantly, for the future of the New South Wales taxi industry and their families. The systemic destruction of the New South Wales taxi industry has been un-Australian, unconscionable and unacceptable. I also would like to table some supplementary material after the meeting. Thank you very much.

Mr ROGERS: Madam Chair and members of the Committee, thank you for the opportunity to present today. The New South Wales taxi industry in partnership with the New South Wales Government has transported passengers for over 70 years as an extension of the public transport system. There are two issues that need to be urgently addressed: further structural reform, including compensation for the loss in asset value, and an improvement in the operational aspects of the new regulations. The business models of taxis and rideshares are different, yet we operate in the same space. It has been difficult to compete against a rideshare model that takes 25 per cent of each fare and keeps the lease fee rather than paying it as it should have.

Traditionally the equivalent taxi network only took five per cent to run the business. In an industry that turns over between \$1 to \$2 billion in New South Wales, that 25 per cent difference amounts to hundreds of millions of dollars which rideshare could then use—and did use—to grow market share or keep as profits. Rather than enforcing the law, making rideshare pay a lease fee, the New South Wales Government supported the illegal activity by removing the need for a licence to operate in the booked space, thereby wiping out over \$200,000 from the taxi licence value of millions of dollars in lease fees, as part of the taxi licence value was in its right to provide that booked work.

Why are rideshare models still taking 25 per cent of each fare when with no lease fee it should be 5 per cent, passing on the other 20 per cent of that previous lease fee and improving operator and driver earnings or reducing fares? Currently any reduced fares in rideshare, the majority is paid by the operator and driver; the rideshare network still keeps its 25 per cent. The New South Wales taxi industry is not one big business; it is made up of thousands of small businesses. Decisions need to be made with this in mind, around costs in time and money. Cash flow is the lifeblood of these businesses. Up-front costs for CTP, having to collect a passenger service levy on behalf of the New South Wales Government with no financial support, high insurance premiums, all make running a small business more difficult.

Safety is the foundation of these new regulations. Whilst there are some positives, like the DVD portal to help with the checking of drivers in vehicles, we have concerns around some service providers being granted a licence to operate without having an approved safety management system in place prior to picking up their first fare. Stronger on-street compliance is required to reduce and remove the emergence of unauthorised rogue operators putting at risk the safety of drivers and passengers. The oversupply of vehicles is adding to congestion and impacting on the ability for drivers and operators in the industry to make an adequate living. Rideshare vehicles, as per regulation 84A, should not be circulating empty or parking on public roads when logged in. Controlling supply will increase vehicle utilisation and improve driver earnings. Enforcing regulation 84A will help with congestion.

The New South Wales taxi industry would like to see professional drivers who see our industry as a career. Unfortunately, at present, the point to point industry is more a transient workforce who see the industry as a stopgap measure waiting for a better offer. The NSW Taxi Council and taxi industry is here to embrace technology and use it effectively to improve passenger experiences through delivering comprehensive driver on-boarding and continuing education and training. Addressing the much-needed structural changes, rightfully providing compensation for the loss in equity to licence owners and a stronger enforcement of the regulations will see an industry with dedicated participants providing innovative and improved passenger experiences as well as improved network, operator and driver earnings. Thank you.

Mr FERRIS: Madam Chair and members of the Committee, thank you for the opportunity today to address the Committee and speak on behalf of the Country Taxi Operators Association. I am president of the Country Taxi Operators Association and we represent members with taxi licences outside the Sydney, Newcastle and Wollongong area. Regional New South Wales operates a little differently to metropolitan areas of Sydney and the taxi business in these towns integrate into a big part of the community. Our drivers often know in 80 per cent of the cases the name of the passenger they are going to pick up because they have grown up in a town with them, they carry them regularly and they are very much part of the town.

These networks operate 24 hours a day, seven days a week. Many mid-week nights we do not make a living, but it is part of providing for a 24-hour service. If you live in the Southern Highlands and have chest pains at 2.00 a.m. you do not ring an ambulance; you ring the local taxi company because you will get to hospital much quicker. The ambulance response time is not good but they know that the taxi will be there; it is sitting on the rank, not doing much, but that is part of the service to the community. They believe a service to the community is required; they have to front these people in the street, they are related to them, they know them, they grew up with them; they know that they need to be able to provide that service. When they see rideshare vehicles come in and

cherrypick Friday and Saturday nights 'cream off the top, it affects their ability to make a living and there are a couple of towns that we already know of where once the drivers perceive they do not make a living they just do not come to work Friday and Saturday nights either, which means the service disappears. So if you allow the good times to go you lose the 24-hour-a-day, seven-days-a-week service.

Due to the impact of the change of regulations, a number of licence owners who were looking to retire are still working well past the retirement age because there is no-one to sell their licence to. We have got people who are in their late seventies, early eighties—Sam may well know of a fellow called Ray Stapleton in Bathurst. Ray, at 73, said to his wife and two daughters, "At 75 I will sell my licence, we will pay off our mortgage and then we will be able to retire." At 74, he came Uber illegally and he at 78 is still driving night shifts to try and make the money to pay his mortgage. He wants to get out and cannot sell. Another operator in Dubbo offered his son and grandson to have his taxi plate—he is 79—and both of them said, "You don't think we want that, do you?" As recently as August this year the chairman of the Bathurst network tragically passed away after a short illness and his family is now saddled with a taxi plate that they have to run because they cannot sell.

There have been some recorded incidents of the sale of country taxi plates; they have predominantly been vendor finance and, to my knowledge, so far in certainly the five in Bathurst, none have continued through; the prospective buyer has pulled out after paying back some money. In Armidale, Armidale is quoted as having some good sales. The network or the co-op bought two plates off old owners who could no longer run their business, out of respect for what they had done and it was paid for by the rest of the network. So you cannot give a country taxi plate away because of the unknown nature of the business since the regulation changed.

Regional networks are not large like those in metropolitan areas. Getting the right number of vehicles for the town is critical. Having too many means that no-one earns a living. It is a critical balance. There is a reason each town has 28, 22, 32 taxis. Over the years those owners know that if you put two extra taxis in and divide the whole income by two extra, no-one makes a living. That is what is happening with rideshare; you are now putting more vehicles into a market that does not need more vehicles. If it needed more vehicles before, we increased the number of licences we had. In Dubbo we have recently increased the number of licences by two over the last three years. In Griffith, out of 10 cabs we have put another three on; so it is a 30 per cent increase over the last five years.

The networks were responding to demand because we need to keep our customers happy. We know our customers. What is the answer? The answer, we believe, is to buy back the current licences, pay out all the operators and let the operators get their capital out that they are trying to get a return on. Those who are old and wish to retire and no longer work, those who are ill and do not want to work, what will happen to their licence plate? We cannot afford to have these people leave the industry. The drivers today will then be able to, under our proposal, lease that plate back off the Government for a fair amount of money. They want to go back; they cannot buy into the industry, they have not been able to meet that original purchase barrier to be able to buy in, but they are driving a taxi now.

Give them some ownership back into their plate and we will go back to having owner-drivers who are driving the business for their own profit, which is a good thing. That means people will come out and go to work and will look after their customers. So it is important that we get that taxi buyback, we allow those who need to retire, who need to get out to get out and we now allow the people who wish to stay in the industry to stay in the industry and free up their capital to be able to invest back into the industry, to be able to invest into better technology, better customer-focused apps and other booking platforms that will allow them to move into the twenty-first century, which has not been possible with the money they have been earning prior.

Wheelchair-accessible taxis is another issue. The Government changed, the Point to Point Transport Commission took over a system where it said that wheelchair-accessible taxi licences would be given out when required. We used to have to make the case that in Dubbo, Tamworth or Armidale—a country town—we needed another wheelchair-accessible vehicle because we could not do the work. No longer is there any business case required and no longer do we get an area licence. Previously, up until four years ago, you used to have a licence that said "I am licensed to work in Milton Ulladulla," or "I am licensed to work in Dubbo, Bathurst or Armadale." Now it is "licence to work in regional anywhere except Sydney, Newcastle or Wollongong."

If I want to go and get a taxi licence—or maybe five, because I do not have to put a business case up—I can then go and dump those five into a town, particularly on race weekend or during country music week, wine festival weekend or the Blessing of the Fleet—and take the cream away from the locals. It upsets the equilibrium and nobody makes any money. We need to have these wheelchair accessible tax [WAT] licences controlled and we need to put a business case to say that there is a requirement for them. The Point to Point Transport Commission is giving out these licences with no business case to justify their existence. To put on a WATs vehicle costs

100 per cent more than putting a sedan on, but if that is going to give you a free go into someone's area of operation where there is an existing customer base then it gives you a very good leg-up ahead of the existing operator.

The CHAIR: In the interests of time, could we wrap up?

Mr FERRIS: Sure. The only other thing which we say to the Government is that we need to keep the taxi industry, in the country areas particularly, for the town to be able to survive. We are not asking for handouts to prop us up to operate each week, but the Government already spends a lot of money on buying services. The Government should continue to buy services and not by vehicles. There is the ASTP, which is the Assisted School Student Transport program. At the moment, taxis get 13 per cent of that work. We are in town, so we should be able to provide that service at a much better cost than someone who has to buy a vehicle—we have already got the capital. We could provide patient transport rather than have to buy vehicles and pay wages to people to operate that. Department of Veterans' Affairs [DVA] transport, railway transport, community travel and community transport—you do not need to buy new vehicles for community transport to operate. Use existing spare capacity, particularly during the day, of the taxi fleet. Thank you very much for your time.

Mr WILKINS: I thank the Committee for inviting us to speak today. I am the president of the NSW Taxi Industry Association. I am speaking expressly on behalf of the taxi licence owners of the metropolitan Sydney network. It is ironic that we are one day off exactly 12 months since the petition was lodged with Parliament and when this debate regarding the buyback on taxi plates was very heavily discussed. It was unanimously voted that this be handed back to the Government to hold this inquiry. It is almost 12 months to the day since that took place. We understand the delay due to the droughts, then bushfires and now, of course, COVID. What we are talking about is the fact that we asked for the buyback in line with the pre-reform prices because there are a lot of people who feel that the taxi industry is loaded with multiple or large fleet operators.

The taxi industry, as my colleague Mr Rogers said before, comprises of a lot of small business people. In fact, only 5 per cent of the taxi plates in New South Wales—metropolitan and country—are singularly owned, or they might own one or two plates. There are very few multi-plate owners of the 6,000 taxis that were originally on the road. We are looking at about \$300,000 being knocked off the value of a taxi plate. The current selling price is about \$70,000 or \$75,000. This has heavily affected people. Many of those people are aged well over 70, have driven their taxi for many years and looked at this as their superannuation—because that is how they worked at it—cannot sell it and cannot get more than a dollar a month for a lease on it because it is sitting on the shelf. There are 2,400 of them still sitting on the shelf. These people have had to go back and have their financial situation reassessed. Many are having to go into their pension to get by. As Mr Hazir said earlier, it has created a lot of angst and a lot of marriage break-ups and God knows what. So it has been quite a problem.

The taxi licences give a right to operate in one of three markets—the rank market, the hail market and the booked market—which meant that the taxi licence value is made up of the operating value of each of those markets. When the Government took away the need for a licence to operate in the booked market, they also took away the portion that contributed to the overall taxi licence. Because there was an unfettered supply of these particular point-to-point vehicles allowed to come onto the road—I am told that we now have in excess of 20,000 of them in New South Wales. We had a taxi fleet originally of 6,000 taxi plates. It is currently 3,500. People are not even missing it because we have got so many point-to-point vehicles out there.

For many years the taxi industry paid \$260 annually per licence to the Government as a licence fee to operate as a taxicab. When all the changes came about with the new Point to Point Transport Commission, that figure was scrubbed. In actual fact, there was no charge and that was held up as a good saving for the drivers. But what has happened is 20,000 people have come in to the market and have not had to pay anything. If the Government had looked at it sensibly, they would have realised that if they had put the fee of \$260 on everybody who wanted to be a service provider then they would have had a good income coming in and it would have been a deterrent for a lot of these people who are only using it to jump out for a few hours on a Friday and Saturday night, at their leisure, to pick up an easy \$500 or \$600. This, as everyone has said here, is taking away from the only time that a taxidriver can make any decent money—on a Friday or Saturday night. It does not matter whether it is in a country area or a city area. During the rest of the week, drivers go through a fairly poor earning capacity because they work on a commission basis.

The \$250 million assistance package sounded like a lot of money when we got it. But when you spread it out amongst all of the taxi plate owners in New South Wales, it was only a very small figure. That \$20,000 was taxable, so it became \$11,000. It really was not much of a leg-up to help the operator for what he had lost in earnings while rideshare operated illegally. That was the general consensus. The hardship package that came after that—and we still do not know what was paid out from that \$142 million. We have not been able to attain a definite figure on it yet. But that hardship package was the hardest thing in the world for anyone to try to assess whether they were or were not eligible. If you owned your own home and did not have any debt you had your

chance in Buckley's of getting anything, so many people did not even bother to fill it out. There were a lot of people—and I know that there have been problems with the bushfires which have kept the Government busy, but that hardship panel took so long to come to a decision on whom they were going to give money to and whom they weren't that there was again a lot of angst for the poor people who really did not know whether they were going to get a hand out or not. We would like to know how much of that \$142 million was paid.

Again, our reason for asking for a buyback is because in 2004, when the Government originally decided that they were going to deregulate the hire car industry and try to do away with hire car plates—which, I might add, it has still not been able to do because somebody always comes up with an argument—they gave the option for every hire car owner to take up a 50-year taxi licence to operate. If they then chose to, they could re-lease the hire car plate back off the Government for \$6,250 I think it was—or \$6,000-odd anyhow—per annum, with no CPI attached at all. Many of those operators took the 50-year taxi licence on the proviso that their equity in that taxi licence, if they wanted to sell it, was equivalent to what the hire car licence was deemed to be worth at that particular time. So not many of them bothered to sell because at that stage they could get \$20,000 to \$25,000 a year in leasing money coming in, so everyone was quite happy to be able to accept that.

The CHAIR: Mr Wilkins, if you could wrap up that would be great.

Mr WILKINS: Okay, thank you. The equity that was given to hire car operators has not been reciprocal for the taxi industry, which we think is grossly unfair. It has left a lot of angst and it has left our industry in tatters. I thank you very much for my time.

The CHAIR: Thank you for those opening statements. It is very important that we hear these concerns, but in the interests of time we will need to move to questions.

The Hon. MARK BANASIAK: Mr Hazir, in your submission you appear quite critical of the point-to-point report and the Act. Can you summarise your main reasons?

Mr HAZIR: Where to start? The planned systematic destruction of the industry served—it has been decimated. The livelihoods of owners, operators and drivers who served in it have also been decimated. The difficulty is in believing that we actually have people in this nation preparing to inflict such cruelty on their fellow Australians. It is unbelievable. In its zeal to support and promote Uber—aka rideshare—the Government created and promoted total bias and an anti-competitive environment to completely favour rideshare over the regulated industry. The level playing field, as they used to say to us, was always going to arrive. It was a lie. Getting the balance right, it was a lie. The exclusive access to airport, it was a lie. The exclusive access to rank and hail, it was a lie. The impartial, unbiased commissioner was a lie. The strict administration of the new safety regime was a lie. The regime of enforcement inspectors was a lie. One could go on, but the great tragedy of the situation was that the Government was well aware of the consequence and the intent from the very beginning.

The Hon. MARK BANASIAK: To all panel members, there was a reported statement by the Minister for Transport regarding the demise of the regulated industry. He said that it was the industry's own fault for failing to keep up with modern technology. I want to hear your thoughts on that statement and whether you believe that it was your own fault, in terms of not keeping up with modern technology.

Mr ROGERS: I might start and then hand over to Mr Wilkins. We had technology. That technology was through the form of an app called ihail, which we brought to the market for the benefit of passengers. Unfortunately, due to restrictions and the time to get approval, it was rejected a number of times before we could release it into the marketplace. So we actually had the technology, we just were not allowed to roll it out.

The Hon. MARK BANASIAK: Who rejected that?

Mr WILKINS: The Australian Competition and Consumer Commission [ACCC].

Mr HAZIR: I agree with my fellow colleague of the industry here; Australia had modern technology. Your question asked who put hamstrings on that technology. It was the Federal ACCC.

Mr WILKINS: That is right.

Mr HAZIR: They are supposed to be guarding free competition but not promoting predatory and destructive trading, which has now come upon the taxi industry.

The Hon. MARK BANASIAK: Any other comments from Mr Wilkins or Mr Ferris?

Mr WILKINS: During my 62 years working in it, the taxi industry in Australia has been at the forefront of technology. We hold conferences every year, and we have affiliations with overseas countries as well, so we were well and truly able to keep up with what was happening. But we did the right thing and we tried to register the app and go through the Australian Securities and Investments Commission [ASIC] to do everything the right

way, whereas our competition came in illegally and started running their own show, did not bother with ASIC or anyone else and that was just conveniently forgotten. But we did have the technology. As well as that, every network already had an app but it was probably not quite as smart as the app that Uber and Ola and other large multinational companies came forward with because again, as we said before, the taxi industry is made up of a lot of very small businesspeople.

The only thing that the taxi industry takes in from the networks is a radio fee, which helps with administration costs. We did not have the you-beaut bells and whistles app because others had already come to the front door and released one. So it was back to the drawing board anyhow. We were still trying to get through ASIC with it, so that was the reason. Every network has an app. Even networks in country areas are hooked into a booking service that does provide an app. It is very hard to compete, and this is what the Government has to realise. This has thrown a lot of very small businesspeople into the pool with a great big multinational that has got Google behind it. It is a little bit like trying to slay the giant. That is our situation, and that is why the Government should be assisting us more instead of saying, "Oh, well, you are in with the big boys now. Sink or swim." There is only one way that is going to end up.

The Hon. MARK BANASIAK: Mr Rogers or Mr Wilkins, you spoke about the hardship fund and the difficulty people had applying for grants through it. In budget estimates, I asked questions about this hardship fund and the response from the Government was, "Well, the NSW Taxi Council were part of the process of designing the assessment criteria and assessing the applications." I am curious. You are very critical of that criteria and how it excluded people but the Government is saying that you were part of designing that criteria. Is that the case or has it got it wrong?

Mr WILKINS: We had a representative on the committee but he was not given much opportunity for too much input. Because he was restricted to a confidentiality agreement, he was not really in a position to be able to come back—he was our deputy CEO—and discuss it with us and tell us what was happening and what was not happening. When I say that I am being critical, it was about 50-odd pages wasn't it, Mr Rogers?

Mr ROGERS: The issue is probably around the application process. Unfortunately, a lot of our members are not that technology savvy, hence they had to make their applications by print. The real challenge is the extensive nature of the questions that are asked in terms of the hardship application. They submitted and then maybe they had to resubmit. They got sent back out again and 29 pages is a lot to fill out when you look at the hardship application. The process was quite arduous and stressful for a number of our members, whose first language is potentially not English, so filling out the application was a challenging process for them in an already stressful time. The real issue around the program was the fact that it took an extraordinary length of time for them to do the application and get any answers back. In the end, I believe only 1,252 applications were actually submitted out of the potential number of licence holders, and operators and drivers who could have also provided applications. It was just too arduous.

The Hon. MARK BANASIAK: But you do not know how many because your representative was sworn to a confidentiality agreement?

Mr ROGERS: We know that 1,252 applications went in, but we do not know how many were paid and we do not know how much they actually received. We do not know how much of the \$142 million was actually paid out.

The Hon. DANIEL MOOKHEY: Why do you not know that?

Mr ROGERS: We asked Transport for NSW how many successful applicants there were and how much of the \$142 million was spent, and we have yet to receive a response.

The Hon. DANIEL MOOKHEY: So they are not telling you?

Mr ROGERS: No.

The Hon. DANIEL MOOKHEY: Notwithstanding your organisation's membership of the hardship panel?

Mr ROGERS: The hardship panel has confidentiality, and I chose not to engage in understanding the minutes of those meetings. I asked a question at a meeting with Transport for NSW about how many applications were successful, what the overall spend of the \$142 million was and how much is left in actuality. Part of the challenge they were saying was the fact that because some people had taken payments over a number of, say, three year payments, they do not have the final figure.

The Hon. DANIEL MOOKHEY: The macro amount of money that should be in the fund over the period of its collection—forgive me if I am wrong on this, but \$142 million will be collected over the duration of the levy?

Mr ROGERS: No, if you actually look at the levy, the actual levy has no end date. It was in the second reading that they would collect up to \$250 million over five years broken down into \$98 million for the first fund, \$10 million for the hire car buyback, and \$142 million for the hardship fund.

The Hon. DANIEL MOOKHEY: But of the \$142 million we do not know even how much of that has been spent?

Mr ROGERS: We do not know. What we do know is around about \$96 million of the first lot was paid, about \$8 million of the second one, but we do not know what the final part of the \$142 million was. What we do know is that \$158 million has been collected from industry.

The Hon. MARK BANASIAK: Were any of the associations or networks allowed to apply as a network or an association as part of the hardship fund, do you know?

Mr ROGERS: Anyone could apply for the hardship fund in terms of if you felt you were detrimentally impacted by the changes to the regulations. I do not know who chose to apply.

The Hon. MARK BANASIAK: Did NSW Taxi Council or any of the other associations apply for the hardship fund?

Mr ROGERS: Not for the hardship fund, no.

The Hon. DANIEL MOOKHEY: Just to close the loop on this, are applications for the fund closed?

Mr ROGERS: Yes.

The Hon. DANIEL MOOKHEY: And when did it close?

Mr ROGERS: Interestingly enough the closing date was actually on a public holiday, so it got extended to 2 October, is my understanding.

The Hon. DANIEL MOOKHEY: This year?

Mr ROGERS: No, that was back in 2019.

The Hon. DANIEL MOOKHEY: Either way we are a year or two years past the closing date. There cannot be any reason why Transport for NSW should not know how much has been spent. Do you agree with that?

Mr ROGERS: I believe their understanding was the fact that it was until that final cheque got paid. If you chose to take it over three payments then it would be over the financial years, so maybe wait until that final lot of cheques are put out. I would understand that if they sent out the letters, they would know who accepted them. They would know how many people, what they are going to get, whether they are going to take it upfront or put it over a period of time—

The Hon. JOHN GRAHAM: Mr Rogers, I hope they do not have to wait until they have a final cheque before they know how much. That is a ridiculous explanation.

Mr ROGERS: I would agree. I would agree that they would understand what the amount of money is from how many they have approved. That will tell you the final figure.

The Hon. DANIEL MOOKHEY: And it is not as though the eligible class of applicants is particularly large in the scheme of things, is it? Licence owners are the eligible class of people who are capable of asking for hardship, for which there was at the time 5,000-odd licence owners in New South Wales. It is not like it is that onerous Transport for NSW to know who is eligible for it and whether or not they got help, you would agree?

Mr ROGERS: Yes.

Mr WILKINS: Yes.

The Hon. DANIEL MOOKHEY: And your view is that the levy should continue?

Mr ROGERS: Yes.

The Hon. DANIEL MOOKHEY: And for the purposes of funding a buyback?

Mr ROGERS: A buyback of taxi licences for the loss of equity that, in a sense, the change of regulations put onto our licence owners. The changes in regulations took away the value of the book market. The oversupply

of vehicles has impacted on the rank and hail value. So in a sense the best thing is for a buyback because that will free up the industry as well in terms of the business models around, as I mentioned in my opening statement, the cash flow side of things for business. That would allow us to then move into a new model where we can actually be innovative, competitive, and the cashflow is there to support industry.

The Hon. MARK BANASIAK: In and around the time that Uber emerged and was operating illegally, did you seek to make representations to Government members to express your concerns? I am wondering what the outcome was of those discussions with Government members.

Mr WILKINS: It was a little bit before Mr Rogers' time so I can probably speak more authoritatively on that. Yes, we certainly did. In actual fact, we never stopped complaining to Transport for NSW. It was all too hard. They would book somebody, then they would get them to court and they would get an adjournment. In the end the Government said, "Look, we do not have the budget to keep on trying to get these people to court" and it was just let go. From day one we did not stop reporting. Sydney City Council was probably our best policeman because Sydney City Council was booking these people for picking up off the back of ranks, particularly in the city area.

They were giving us information on the number of vehicles. That is why we battled to get a better identifier on the vehicles than just the sign that they can stick on the back window. We wanted something like the LPG plates that were on the LPG vehicles, attached to the number plate front and back, so that when the police pulled them up that they met the requirements of a public vehicle. And that the driver had zero alcohol on him and that he was fully licensed to drive a passenger servicing vehicle. We did not stop complaining from day one.

Mr HAZIR: Yes, I saw one Government official.

The Hon. MARK BANASIAK: Who was that?

Mr HAZIR: That was Mike Baird. After six months I managed to get an appointment with him and his secretary, Adele Heasman. That was booked for 20 minutes down at Manly. It ran for 40 to 45 minutes and the outcome of the meeting was that I informed Mike Baird that the industry was in problem. He said, "How would you like to start your questioning?" I led three questions directly at him in the presence of his personal assistant, Adele Heasman, which he answered yes to all three. The first question read, "Worst New South Wales Government policy ever on the run?" The answer is, "Yes." "All balls in the air, not knowing the damage you are going to do to constituents or the taxi industry?" The answer was, "Yes." "Wilful blindness, aiding and abetting piracy on the roads of New South Wales to the point where it becomes lawless and your Government is becoming untenable. You had to legalise it?" "Yes."

The Hon. MARK BANASIAK: That was the only meeting you had with a Government member? Was there any promise of other meetings?

Mr HAZIR: Mr Baird at the time said, as the meeting concluded, "Have you seen other Government officials regarding this matter?" I said, "No." He said, "I think, Adele, you need to make an appointment to see Berejiklian and Constance and get us under the one tent to discuss this." The reason was that I gave Mr Baird exits prior to the damage being severe. He acknowledged the exits by looking at Adele Heasman and saying, "Why wasn't I given these choices?"

The Hon. MARK BANASIAK: So you did not have that meeting with the now Premier and you did not have that meeting with the now transport Minister?

Mr HAZIR: For the record, over a period of many weeks emailing back and forth to Adele Heasman, asking for copies of the minutes, which I asked for at the conclusion of the meeting as well, "I would like copies of the minutes of the meeting." Emails will show in record that, "They are being prepared. We have a little bit of work on our desk. We will catch up with you. You will get it." So after a four-week period the answer came through that there were no minutes coming—finished. I thought that very strange at the time, considering he was the Premier of the State of New South Wales and oversaw the destruction forthcoming and thereafter. At the same time, emails were going back and forth regarding this "under the tent" all parties meeting. It was the same system, "We are trying. It is hard. It is hard to get everyone under one banner." Many excuses, more lip-service, I call it these days. But once again an email came back through the PA, stating, "I am very sorry, Vic, but the meetings will not be taking place."

The Hon. MARK BANASIAK: I have one final question. The Government has been quite vocal about this concept of a level playing field. Noting that it is a work environment and it is not a game that we are playing here, do you believe that the point-to-point regulation as it stands delivers that equal working environment? I get a sense that that is what we are seeking. Does the current point-to-point regulations deliver an equal working environment for all participants?

Mr WILKINS: From the taxi industry point of view, certainly not.

Mr ROGERS: We think, in terms of the cost of running a taxi business, there are costs, and the issue also comes down to, as I mentioned previously, in terms of cashflow. When you look at some of the things—just take CTP, for example, up-front costs to participate versus 10c a kilometre as you go; high insurance premiums in terms of those costs; safety and security cameras. There are a lot more costs to actually get a taxi on the road and to maintain a taxi on the road.

Mr FERRIS: It is not just the cost to the taxi owner. What about the cost to a country town? Let us say the network brings in \$1 million and that \$1 million—and I think you will find studies have been done—is usually spent in a country town nine times over. If \$1 million goes to rideshare, only \$750,000 stays in that town to be spent nine times over, so it is not even level for the towns that the services are operating in, other than just the operator. As Mr Rogers said, the cost to run a taxi and put a taxi on the road is far higher than what it is to put a rideshare vehicle on the road.

Mr WILKINS: And another thing: We get regular statistics from the commission regarding vehicle inspections et cetera. There is about 25 per cent of the rideshare—we will call the taxis into the rideshare—there is 25 per cent with the taxis and 75 per cent are Uber, Ola and whatever, and yet the inspection ratio of taxis inspected against all the rest of the point-to-point vehicles is so out of whack it is not funny. I mean because taxis are so identifiable, it is very easy for them to pull them up. "Hello, I want to check this vehicle out for a safety check," or whatever. But the percentage of rideshare vehicles that are inspected should be four times as many, going on the number of vehicles, but it is the other way round, Mr Rogers, isn't it? And this is another way—so the level playing field has never eventuated.

We have been working with the State Insurance Regulatory Authority, the insurance people, for a long time now to try to come to some sensible agreement on the fact that taxis should not be 11 times more expensive than a private vehicle to put CTP insurance on in the Sydney metropolitan area, but they are. And that is not going to be changed now until 2021. They had to put it back because of other constraints that have come on. So the playing field has never eventuated. Gary Sturgess said he wanted to see a level playing field. We have never ever seen it. It has never ever eventuated. And I mean we, early days, were having fortnightly meetings with Andrew Constance when we could see what was going on. Andrew promised faithfully that he had come up on the farm and he had seen people do it tough and he was not going to see the taxi industry people go down the gurgler. Now I cannot even get to see him. I try to get to see him now and it is almost impossible. But we were having fortnightly meetings to keep him up to date. He wanted to make sure that everything was going in the right direction and, like with Mr Hazir, it just fizzled out.

The CHAIR: When did that fizzle out? When did you stop meeting?

Mr WILKINS: Twelve months ago, I suppose, that it really started to become hard to get to him.

Mr ROGERS: I guess up until the end of last year we were meeting with the Minister. We have met with the Minister once this year just to express some issues around the COVID-19 impact on the industry and the Minister took our meeting, which was great, and out of the start of that came a support package which we welcome from the New South Wales Government in terms of that area.

The Hon. DANIEL MOOKHEY: To follow that up, how many meetings have you requested?

Mr ROGERS: Generally the way it would work was we just requested forward meetings to plan the next few in advance to keep the Minister up to date, especially around the areas of our request for buyback and the issues in the industry. And just mentioning before, before my time there might have been representation. When I first came into this role, I understood the inequity around licence values and the need to provide more support to licence owners, given the fact that they lost all this equity and got no payment. I was always saying we need to do some more around these licence owners and I was doing that every single meeting we met with the Minister.

I wanted to put a submission in on the need to adjust that and I was always told, "Wait, there is the industry assistance package that is coming and that is not through yet". On 2 October, when that closed, my submission, or our submission of the NSW Taxi Council, for more equity for licence owners was then submitted. That was back on 2 October 2018. With the need to address the structural issues around licence owners and the \$1.5 billion that was unjustly taken from them and freely given to the rideshare model, the licence owner is not the frontline business owner, and that was being stressed to the Minister all the time.

The Hon. JOHN GRAHAM: On that central buyback question, the thing I am most interested to know—thank you, by the way, for all your submissions. I have found them really useful. But on the central buyback question I can see why you are confused, given the Parliament was petitioned and everyone was for it

but nothing has happened. Where do you think this issue is up to in any of the discussions you have had with the Government or the Minister?

Mr ROGERS: I would like to think that the Minister and the Government understand that they enshrined a property right in licences through their dealings in partnership with the taxi industry over the last 70 to 100 years.

The Hon. JOHN GRAHAM: You have made the case that this is unfair. I think you have put that strongly but where do you think it is up to?

Mr ROGERS: I would like to think that the Minister wants to get this right and fix the structural reform that is required so that we can have an industry that can compete on a level playing field.

The Hon. JOHN GRAHAM: Why has that not happened?

Mr ROGERS: The Minister conducted a review led by Sue Baker-Finch. That is now in. I think that went in in June, from Transport for NSW into the Minister's office. We understand that is in the process of being reviewed and we do not know what the recommendations were by Sue Baker-Finch and we are waiting for the Government's response.

The Hon. DANIEL MOOKHEY: Who is Sue Baker-Finch?

Mr ROGERS: Sue Baker-Finch led the review, the independent review.

The Hon. DANIEL MOOKHEY: Who is she or he?

Mr ROGERS: She. She was nominated by the Government to lead the review.

The Hon. DANIEL MOOKHEY: Is she an independent expert?

Mr ROGERS: An independent expert.

The Hon. MARK BANASIAK: What expertise does she hold in the taxi industry?

Mr ROGERS: I look at her in the ability to run a review and we had regular meetings with her via Zoom, unfortunately because of the COVID stuff, and there were submissions that were made for Sue to make her determination on the recommendations for the industry. We put our submission in, not just talking about buyback but also what would be to the benefit of the industry. That is sitting with Government. We are waiting for the Minister and the Government to provide us with their response to those recommendations. I have inquired through the Minister's office as to where things are at and when we are likely to see an outcome of that. I have not received a response yet.

The Hon. MARK BANASIAK: Did Ms Finch come from a transport background? Did she come from a background as a taxi owner or operator?

The Hon. SCOTT FARLOW: Can I suggest that that might be a more appropriate question for this afternoon when the departmental officials appear before the Committee. I do not think it is fair necessarily.

Mr HAZIR: Excuse me, Mr Banasiak, the answer to that question is zero.

The Hon. MARK BANASIAK: Okay.

Mr HAZIR: She comes from the medical trade of hospital workers from Illawarra. She has been appointed to the job. I call her another fat cat, whether everyone else wants to admit that, and that is the elephant in the room. Until you admit there is an elephant in the room and it has to be reconstructed, you are going to do over your own industry. And I will give you an envisagement: Three years from now after corona has gone, or treated, you will not have a cab industry. And the reason why: There are 125,000 passenger transport licences out there and 75,000 registered cars in New South Wales ready to pick up every job because work is going to be hard to get and the taxi plates are on the shelves. To get them refinanced is impossible. We are broke! Please suck it up because we are broke.

The CHAIR: In interests of time, do Government members have questions?

The Hon. SCOTT FARLOW: I have one question of Mr Hazir. I think you were saying in your opening statement that you weren't supportive of buyback. Is that correct?

Mr HAZIR: In principle.

The Hon. SCOTT FARLOW: Do you want to explain that?

Mr HAZIR: It is supported in principle as long as the equity and the fairness is there.

The Hon. DANIEL MOOKHEY: I have one question.

The Hon. Sam FARRAWAY: I do not have any more questions. The questions I had for Mr Ferris were covered in the submissions.

The Hon. DANIEL MOOKHEY: Our terms of reference is to also look into bailment reform. Are you able to explain the experience of drivers from your involvement in the industry for the past five years. In respect to bailment reform, what is your position on it and are you able to nominate the type of reforms that you favour?

Mr ROGERS: The terms of bailment across New South Wales are different but the bailment arrangements under chapter 6 of the Industrial Relations Act apply across all of New South Wales. There is the contract determination that sits within metropolitan Sydney areas for drivers. That contract determination has two methods in which drivers can look to bail the taxi, either through a percentage basis, 50 per cent sharing the fare box or 55 per cent in the first year of their driving.

Method two is to do a pay-in where they could provide a pay-in to the operator anywhere up to \$226 on a Friday and Saturday night to then take that vehicle and to go and use it in their business dealings. What we have probably seen over the last few years is the implementation of the contract determination probably is not being met. Operators are not getting those pay-in figures. Drivers are, in a sense, paying their \$80 to \$100 a shift, not the \$226, but operators still have the liabilities of sick leave, holiday pay et cetera. So in terms of where things have sat around drivers, it is more around what drivers are willing to pay for the pay-in.

The issue around the bailment for our industry, if you think about point to point, is that is where it is not level. You have rideshare that do not bail, therefore they cannot be in the terms of bailment under chapter 6 of the Industrial Relations Act. What we have proposed is: How do we make that level? And if we look at what happens in regional New South Wales they have their own partnership of sharing the commissions on a shift basis. We are saying we need to remove the bailment from chapter 6 in the Industrial Relations Act and look at some standard contracts in terms of the bailment of the vehicles. Rideshare have got a less restrictive approach to what they do with their drivers or their partners.

The Hon. DANIEL MOOKHEY: So you would prefer to deregulate and go to individual contracts.

Mr ROGERS: We need to get to a point where we can support driver earnings. To me it all starts with a good farebox, a good driver earnings. Everything flows back from there. We have got to look at supply. We have got to look at a number of ways to ensure that driver earnings are maximised so operators can get their pay-ins, networks can get their fees and the industry can flourish. We do not have that. The oversupply of vehicles is stopping that. We need to have a process and a system that is fair across all of point to point. If that needs to go federally to the Independent Contractors Act or we need to do something in New South Wales then we need to look at that. At the moment our industry is hamstrung to compete against rideshare because they are not part of the Industrial Relations Act in New South Wales.

The CHAIR: Unfortunately we are out of time. Apologies for that because it was a very interesting session. Thank you so much for attending and for giving us the benefit of your views.

Mr WILKINS: Thank you very much.

Mr HAZIR: Thank you.

(The witnesses withdrew.)

(Short adjournment)

GAVIN WEBB, Chief Legal Officer, Transport Workers' Union NSW, affirmed and examined

ISABELLA WISNIEWSKA, Legal Officer, Transport Workers' Union NSW, affirmed and examined

MICHAEL JOOLS, President, Australian Taxi Drivers Association and Taxi Driver Action, sworn and examined

GRAEME HARRIS, Delegate (Manly Warringah Taxis), Australian Taxi Drivers Association and Taxi Driver Action, affirmed and examined

The CHAIR: I now welcome our next witnesses. I will ask you to begin by making a short statement. If we can keep it quite short so that we can get to questions quicker, that would be great. I will start with you, Ms Wisniewska.

Ms WISNIEWSKA: I will actually defer to Mr Webb, who will speak on our behalf.

Mr WEBB: The Transport Workers' Union [TWU] of New South Wales welcomes the opportunity to provide evidence at today's hearing. The emergence of point to point rideshare platforms has irrevocably altered taxi and hire car industries, particularly as between 2012 and 2016 the New South Wales Government allowed rideshare platforms to operate unencumbered by existing legal and regulatory frameworks. But one of the glaring omissions that the TWU has found through this Act is that the Act does not sufficiently account for taxi and hire car drivers who are not licence holders who experience significant loss due to rideshare operators and rideshare platforms operating without regulation.

Any way you look at it, we believe that it is really the drivers who are the biggest losers out of all of this. They are the ones that perform the work that is required for the industry to operate. In particular, the upward trajectory of labour practices for taxi and hire car drivers, which were already at or below minimum labour standards, was reversed as a result of the combination of the introduction of unregulated rideshare platforms into the market and the inability of taxi and hire car operators and the taxi and hire car industry to reach consent on much-needed broader reforms in the labour practices of taxi and hire car drivers.

It has always been the TWU's position that one of the main priorities of government is to ensure that dependant workers such as taxi and hire car drivers—and also rideshare drivers—regardless of their legal status, should have at least a safe workplace, without fear of injury or loss of income due to unsafe work practices; a living wage that is commensurate to the value of the work they perform; fair and reasonable working conditions and practices that are in line with the standards expected by the Australian community; and a dignified and respectable retirement supported by a strong superannuation scheme. These are the outcomes the TWU has pursued in the past and hopes to achieve in the future for both taxidriviers and rideshare drivers. But in circumstances where there is not an equal playing field between the taxi and hire car industry and rideshare operators, we cannot pursue these outcomes without effectively rendering the taxi and hire car industry uncompetitive to the point of extinction.

We need to have a serious conversation about bailment reform to improve the lives of taxi and hire car drivers, and rideshare drivers, but we cannot do so without serious rideshare reform to create an equal playing field that maintains and improves upon existing labour standards in these industries rather than facilitating a race to the bottom. The Transport Workers' Union therefore recommends further reform in the point to point sector to ensure equitability—namely, firstly, that the employment relationship between driver and rideshare platform is reviewed, in particular that chapter 6 of the Industrial Relations Act of New South Wales is extended to rideshare operators and drivers; secondly, that the New South Wales Government should consider extending the operation period of the passenger service levy; and, thirdly, that the New South Wales Government should review the adjustment package provided for by this legislation to ensure that it accounts for the losses experienced by taxi and hire car drivers, rather than just operators and licence holders. I welcome any questions from the Committee.

Mr JOOLS: Madam Chair and gentlemen of the parliamentary committee, I am Michael Jools, president of the Australian Taxi Drivers Association and of Taxi Driver Action Incorporated, representing taxidriviers. I am also an authorised taxi booking service and an authorised taxi network service under the New South Wales point-to-point regulations. I operate a totally new taxi operating system with an app called Taxis.Plus, which provides a point-to-point transportation solution that meets and surpasses the requirements and intent of the point-to-point Act. We are ready to equip taxis with the technology to provide optimal services. The gig economy does not manifestly provide workers with employment, nor does it provide security. The current reality shows the necessity of employment and security for engaged workers in an industry.

I believe that we now have the ways and means to revitalise the taxi industry. So many of the issues raised, the deficiencies explained and the needs expressed are covered by this app. We do have a way forward.

Wearing all of all my hats at once, and I have too many of them, I believe that this Committee should move on the three major points of my submission. None of these require changes to the law and all of them are supported by existing law. First, all point-to-point [PTP] workers should be engaged at no less than the national minimum hourly rate, permanent or casual. Secondly, the re-lease of returned taxi plates at minimal cost for committed sole-owner drivers with a new, low-emission vehicle. Thirdly, that there be compliance requiring hire vehicles to not ply for hire, to not stand or park on a public road and to meet all regulations, including signage. We have a single-device system that is freely offered to all taxi networks so that we can reduce or even eliminate the network fees.

We have automatic passenger service levy collection, detailed receipts with all information, a real-time camera system, reporting of engaged or total kilometres for compulsory third party insurance purposes and much more. The objective is to reduce industry costs and to improve industry efficiencies and services. It is going to be a long time before we are back to the pre-Uber number of passengers, drivers or taxis. We can probably get back to pre-COVID occupancy and utilisation, although the airports are no longer an assured destination or pick-up for 30 per cent of all fares, and the CBD is less than half full. It is also a little late, but I raise the fact that no taxidriver have been compensated, nor any taxi operator to my knowledge, for the losses occasioned by the legalisation of a hitherto illegal enterprise. We need to regain our livelihoods. The Committee must intervene and resolve the issues. Thank you. I welcome your questions.

The Hon. DANIEL MOOKHEY: Thank you so much for your appearance and for your submissions. Just so that we are fundamentally clear, drivers were ineligible to seek any form of passenger payment under the passenger service levy. Is that correct?

Mr WEBB: That is my understanding, yes.

The Hon. DANIEL MOOKHEY: Mr Jools, does that accord with your understanding?

Mr JOOLS: It was proposed that they be eligible, but no opportunity was ever given for a driver to make that claim.

The Hon. DANIEL MOOKHEY: Yes. I recall moving an amendment in Parliament to make them eligible and that was not accepted by the House at the time. Legally it was barred and as a result no driver got assistance if they were not a licence owner. Is that correct?

Mr JOOLS: Not correct.

The Hon. DANIEL MOOKHEY: I just want to talk about some of the conditions that preceded the 2015 regulation. I am looking at the Sturgess report, which established the basis of the regulation and the case for hardship. It was reporting at the time on a 2014 Independent Pricing and Regulatory Tribunal [IPART] study, which showed it was not uncommon for a driver to earn, after all costs incurred, the equivalent of \$7 an hour, which at the time was about 40 per cent of the minimum wage. Does that accord with your understanding as to the conditions that prevailed in the taxi industry circa 2014?

Mr WEBB: Yes, that is right. Around that time as well the TWU did attempt to make an application to the NSW Industrial Relations Commission to amend the taxi contract determination to allow for a minimum wage or a floor mechanism within that determination to ensure that there was the ability for the minimum wage to apply to taxidriver. However, that ended up being put to the side through the emergence of Uber and also as a result of waiting to see what this legislation would do in that space as well.

The Hon. DANIEL MOOKHEY: But in the years since 2014, in the absence of any successful bailment application or review application on the contract determination, are drivers getting paid dramatically more in the taxi industry?

Mr WEBB: No.

Mr JOOLS: Dramatically less.

The Hon. DANIEL MOOKHEY: Do you want to talk about that, Mr Jools.

Mr JOOLS: Dramatically less than \$7 an hour.

The Hon. DANIEL MOOKHEY: How much do you think a driver is getting paid, knowing, as Mr Sturgess said, this is a very hard thing to realise and there is not great information available? Mr Jools, do you want to explain what you think is the typical earning for a driver in the taxi industry today?

Mr JOOLS: The first point is that we are talking of earnings, not being paid, and that is one of the critical differences. Drivers are not paid anything. They earn a portion of the fares. It has probably been reduced

post-COVID or as of COVID to around \$5 an hour for when they are out there. Again, they are out there on a 12-hour shift, so it is a very miserable earnings rate and it is looking as though it is not getting better.

The Hon. DANIEL MOOKHEY: This would probably explain why there are now so many taxis being parked on the street and being returned to the depots. Mr Webb?

Mr HARRIS: Because they cannot get drivers.

The Hon. DANIEL MOOKHEY: Please feel free to explain, Mr Harris.

Mr HARRIS: There are a lot of drivers leaving because of COVID, and before that there were a lot of drivers leaving because of decreased incomes. I think the Committee should be aware when they are taking submissions about driver income, one of the attractions of driving a taxi is it is the last of the cash businesses which, up until recently, was easily available and readily joinable. Assessments of earnings depend on the driver's skill, the area he is driving in and the night of the week that he drives on. Monday and Tuesday nights are really very quiet. Friday and Saturday nights are very busy. The income varies quite considerably between those shifts.

The Hon. DANIEL MOOKHEY: I will ask one last question before I pass to my colleagues. The NSW Taxi Council says that the solution to poor bailment outcomes is to remove the taxi industry from chapter 6 and effectively replace it with individual contracts. What is your view on whether that will improve conditions for drivers or make them worse?

Mr WEBB: I think if the rideshare industry is anything to go by, we would say that that would have disastrous results for labour standards within New South Wales for drivers, regardless of whether they are taxidriver or rideshare drivers. As part of our submission, we included the rideshare driver survey that the TWU performed which showed that 85 per cent of drivers are not satisfied with the earnings in that industry. On average, they earned below minimum wage. On top of that there are significant issues surrounding their health and safety as well. If that is where the NSW Taxi Council suggests we should move the industry as a whole towards, the TWU's position, as I said, is that that would be disastrous for labour standards.

The Hon. DANIEL MOOKHEY: It would be a race to the bottom, wouldn't it?

Mr WEBB: Yes, a total race to the bottom. Instead of improving upon existing labour standards that taxidriver have been able to achieve over a number of years—instead of improving upon those and improving their lives, they would essentially be going backwards. They would just have to compete with an unregulated market and unregulated markets such as Uber shows that the biggest losers are the drivers.

Mr JOOLS: A point there to the Committee: If taxidriver and whoever else, ride-hailing drivers, were removed from chapter 6—not that they are in there yet—would that mean that in fact taxidriver would become open and eligible to the Fair Work Commission?

The Hon. DANIEL MOOKHEY: No. In the proposition that is being put on the table by the Taxi Council is, the extent to which they have access to any protection is the Independent Contractors Act. To be clear, what the Independent Contractors Act does is it only provides common law unfair contract protections. It gives people the right to sue in a commercial court rather than in any industrial tribunals. I will put this as a question to you. Is that your understanding, Mr Webb and Ms Wisniewska; you are a lawyer, aren't you?

Ms WISNIEWSKA: Yes.

The Hon. DANIEL MOOKHEY: Is it not the case that, if they are removed from chapter 6, they are ineligible to be covered by the Fair Work Act?

Mr WEBB: Yes. That would be right, because they do not fall within the traditional employer-employee relationship as is defined.

The Hon. DANIEL MOOKHEY: So there would be no labour protection for them.

Mr WEBB: There would be none. Things that we do have under chapter 6, like rights to challenge dismissals, rights to collectively bargain for industry standards and conditions, rights that deal with industrial disputes and rights to have an independent arbitrator deal with those in a cheap, efficient and accessible way would all be lost.

The Hon. DANIEL MOOKHEY: But there is more than that as well. It is the notional or at least the legal entitlement to sick pay, holiday pay and superannuation. These would disappear as well.

Mr WEBB: Yes. These are all entitlements or standards that the Industrial Relations Commission has accepted are fair and reasonable for dependent workers, such as taxidriver, so they would lose that.

The Hon. DANIEL MOOKHEY: This bailment system has covered taxidriviers going back to the 1950s, has it not?

Mr WEBB: That is my understanding, yes.

Ms WISNIEWSKA: Yes. We refer to the Taxi Industry (Contract Drivers) Contract Determination 1984. I guess that is the determination that ingrains the sick leave, annual leave entitlements and long service leave entitlements that you referred to previously.

Mr HARRIS: The reality of the situation is that a taxidriver's income is covered by the pay-in and half of his pay-in for any particular shift or arrangement goes towards monopoly rent. The point to point legislation ended that monopoly rent, but the plate owners are still attempting to collect it. Until that situation is rectified—

The Hon. DANIEL MOOKHEY: Are you seeing any meaningful effort on the part of plate owners to reduce pay-ins or is it still the case—

Mr HARRIS: Not until COVID and even then A2B Australia was dragged initially. They were going to defer payment. Then when they were faced with losing most of their fleet, they decreased it significantly. But it is a transitory decrease. There is some thought that they will go back to having a payment of \$1,200 or \$1,300 a month for something that does not exist, which is the monopoly rent of the white and blue numberplate to accept hails and rank work.

The Hon. JOHN GRAHAM: Mr Webb, you have strongly made the case that drivers are not getting the assistance that licence holders have, although it is unknown exactly how the Government determined the assistance they have been promised. What sort of a system would you like to see drivers getting? Have you got a proposal? Can you talk through that?

Mr JOOLS: I do not believe that we need to get assistance as such. What we need is a better operating system across the board for the industry. We do not need to be paying \$800 a month in network fees. We can charge that through the booking fee. We do not need to be paying absurdly higher rates of interest on plate leases that are basically valueless, because we are seeing \$500 to \$600 a week now going out as the plate-lease fee. If we are removed from those obstructions, and if the compulsory third party insurance is reduced to either kilometres engaged or kilometres total at the same rate that the hire vehicles are, then the playing field that was flaunted so much by Minister Constance is almost in sight. We need to reduce all those costs enormously. We do not need assistance per se from the Government. The industry can and should be fighting its own battles with the resources that we can have with the new technologies.

Mr WEBB: Firstly, one important change that could occur is at least having more access for drivers to the industry's assistance package, at least as a short-term measure. Because there was a recognition by the Government that there was a hurt placed on the industry as a result of their inaction on rideshare companies. From a broader perspective and as I made clear in my opening statements—and we welcome all of those suggestions made by Mr Jools—without it being a level playing field between workers performing work in a similar fashion in a similar industry, there will not be the work there for taxidriviers to receive.

The Hon. JOHN GRAHAM: This is just heading in one direction.

Mr WEBB: Yes. They have effectively lost their market share. If rideshare was brought in to, say, chapter 6 or there was some other way that they could be regulated, it is quite a robust system. Applications can be made. It is very creative. It is very flexible—the way that different standards can be set by the commission or by consent between parties to ensure there are acceptable standards across the industry. I think associations like the Transport Workers Union have shown that they are prepared to work with players in the industry to achieve broader outcomes for everybody.

The Hon. JOHN GRAHAM: You are effectively saying that what is more important than assistance is having a fair chance of being able to do the job on equal terms. That will actually make a big difference to the drivers.

Mr WEBB: Particularly in circumstances where currently the amount of remuneration available to taxidriviers is dependent upon the amount of work that they can receive. In circumstances where they are losing the market share, that is unachievable for them.

Mr HARRIS: The great lies in the taxi industry are that the plate-lease fees and the plate-sale values are set by the market. But there is no market. There is no place you can go and see who is offering, say, a plate for this amount, determine what you think it is worth and then meet that price. For monthly rental fees of a plate, there is no marketplace. I believe that if there was a proper marketplace established for plate-sale and plate-lease transfers then market forces would act. It is incomprehensible that at a time of decreased activity across the whole

industry, there are some 3,000 plates sitting unused and unoffered in the Roads and Maritime Services offices somewhere in a filing cabinet. There are no market forces on the plate owners, who have been up to this point compensated considerably and have not extended the same compassion that the compensation is based on to their drivers up until COVID-19.

The Hon. DANIEL MOOKHEY: Ms Wisniewska, were you going to say something in response to that question?

Ms WISNIEWSKA: Yes, in reference to the previous question asking what the Transport Workers Union suggests when it comes to compensation for drivers, I know that it is inherently difficult to provide a model considering that there has not been much information publicly accessible from the Point to Point Transport Commissioner about the industry assistance package, how funds have been distributed, how many people have applied for the assistance package and how much the general funds are awarded. It is inherently difficult to provide a very concrete answer, but that is essentially why we have opened it to the discretion of Parliament to say that it should be reviewed.

The Hon. JOHN GRAHAM: We have already taken evidence this morning that it is a real black box despite the fact that it closed two years ago. That information that you would normally expect to be available just is not.

Ms WISNIEWSKA: Absolutely, yes.

The Hon. MARK BANASIAK: You have answered this partly, but is it all your testimonies that, as it stands presently, an equal working environment does not exist in the industry?

Mr WEBB: What do you mean by working environment, sorry?

The Hon. MARK BANASIAK: With all participants in the point to point industry, whether it be rideshare or taxi, does an equal working environment exist under the current regulations?

Mr WEBB: I think it is clear that it does not.

Mr HARRIS: There is no equality between drivers and operators, and operators and the networks. And then the networks are competing with the huge multinational that is able to borrow some—it has outstanding bonds of \$24.6 billion US dollars, so there cannot be any equality between the players when there is such a series of mismatches.

Mr WEBB: But in circumstances where rideshare operators are not subjected to the same, I suppose, market regulations that taxi operators and taxidriviers are, it is very clear that there is not an equal playing field. And that is shown by the huge increase of passengers that are moving towards rideshare operators because they are able to provide cheaper fares on the back of drivers and their wages and their remuneration.

The Hon. MARK BANASIAK: Is the answer reregulation to bring the requirements of all participants to be essentially the same?

Mr WEBB: Yes, particularly if you believe that independent workers are entitled to those things that I said in my opening statement, which is fair and reasonable labour standards and minimum wages. Otherwise, as it has been said before, it is a race to the bottom.

Mr HARRIS: I think that current regulations should be tried first, which is the essence of rideshare is that the driver picks the destination and the passenger goes for part of that route and pays for that. But the way that Uber and all the so-called rideshares are operating, they are operating as ride hail. And they use the words "ride hail" in the United States and in Great Britain. In New South Wales the same computer system and app system that Uber works on is called ridesharing but in the United States and Great Britain it is ride hailing. I believe the reason for that semantic difference is that hailing was left as the province of taxi licence holders and rideshare would be rideshare. So perhaps enforcement of the current regulations before trying to change something yet again.

The Hon. MARK BANASIAK: Do you believe that rideshare are actually adhering to that rank and hail protection?

Mr HARRIS: Not even a little bit. You sit on Manly rank, which is facing the harbour. To the left is the ocean and there are all these rideshare vehicles driven by people who are just coming into Manly and driving off and coming back. You see the same car two or three times a night. Why does that particular person have to go from their home to Manly and then return again several times? They are not acting as rideshare. The essence of rideshare is that the passenger goes along a route that is determined by the driver. This is the history of rideshare. I outlined it in my submission. It started off with jitneys in 1905 where people would be picked up at a point, the

jitney would go along—"jitney" being slang for a nickel—it cost a nickel. They would go along a route and if you lived near the end of the route they may or may not drop you at the end of that. The driver picked the route.

During World War II to preserve petrol and rubber the factories organised people who all lived in a particular suburb to share a ride to the factory for their shift. During the oil crisis Jimmy Carter legalised the insurance status of people picking up unknown people to share a ride from their place of residence along their route to their place of work. Rideshare has become ride hail but there has been no enforcement of the regulations which say rideshare is allowed to be a booking service. Of course you need a booking service because you are sharing rides, but the way they are operating is a hailing service.

The Hon. MARK BANASIAK: The examples that you gave in Manly, has that been communicated to the point to point commission or commissioner? What has been their response to those examples?

Mr HARRIS: None.

The Hon. MARK BANASIAK: So it has been?

Mr HARRIS: I have tried to talk to them. Sorry, no, I have talked to the Manly cooperative and they seem to be loath to bring that up with the commissioner. I have brought the retroreflective signs which is very basic, requires no judgement. The signs that some of the Uber drivers display are not retroreflective. Public signs, street signs, speed signs—they are all retroreflective. But the next time you see an Uber sign have a think about whether it is retroreflective. It is a plain bit of yellow paper that is put somewhere on the rear window some of the time, not the driver's side upper rear window as in the regulations.

Mr JOOLS: Can I elaborate a little bit on that? One of the clear regulations is that a hire vehicle shall not ply for hire, stand or park on a public road. There is confusion and disparity around the world in terms of the common law understanding of "plying for hire". But the point to point commission has resolutely not systematised their approach in relation to the whole composite. It is not ply for hire, not stand on a public road, not park on a public road. If you put all three of those together, the influx of Uber, Lyft and Didi vehicles sitting around waiting for a hail on the booking system is enormous. But point to point is not fulfilling its obligation to ensure that they do not ply for hire, stand or park on a public road.

Indeed at the airport, which was up until a while ago a major source of activities, the Sydney Airport Corporation Limited [SACL] was preparing to install an area in what is a road related area of standing for Uber so they could come and sit at the airport, waiting for a booking. That is not the intent of the regulations. Certainly if compliance of those regulations was to be effected, there would not be a business for Uber, because the traditional notion of a hire car was that it took a booking from its base, carried out the booking, went back to the base to get another booking, and its only reason for being on the road was if it was hired or if it was going to pick up a booking. We have not got that. The level playing fields that we talk about in terms of labour relations also has to be fulfilled in terms of operating facilities and we are not getting that.

The Hon. DANIEL MOOKHEY: On the labour dimensions, Mr Webb, you outlined a set of what you think should be the outcomes that we should be looking to deliver for drivers, be they in rideshare or they are in taxis. I think you said one of them should be minimum wage and the other one should be safe workplace with healthy conditions. Can you take us through the others?

Mr WEBB: The points I made in the opening statement was a safe workplace, particularly access to workers compensation, because that is a significant issue for rideshare drivers.

The Hon. DANIEL MOOKHEY: It is a clear gap.

Mr WEBB: Yes. And we have heard lots of horror stories about what happens not only to them but also passengers when people do not have access to that. Also one thing which I have not touched on—sorry to go away from that—is also fatigue management as well for drivers. There is no regulation whatsoever or no way of measuring that for rideshare drivers. I am not aware that the rideshare operators have limits on how long someone can be driving for, and these are drivers that are carrying the public. They could do an eight-hour shift with one operator and then an eight-hour shift with the next and they are carrying people home on public roads.

Mr HARRIS: Can I just agree with that?

Mr WEBB: Yes. So that is one thing. Sorry, I will just finish. The other points were living wage that is commensurate to the value of the work that they actually perform. As I said, we were in the process of trying to achieve that at least as a safety net for taxidivers prior to the introduction of this legislation. Also fair and reasonable working conditions. What I mean by that is access to things such as something akin to what is provided for in the National Employment Standards for employees under the fair work scheme: sick leave, annual leave, public holidays.

The Hon. DANIEL MOOKHEY: Mr Webb and Ms Wisniewska, there is no reason necessarily that the delivery of those outcomes has to be done through a legal bailee-bailor relationship. Is it not possible to structure that through an arrangement that currently provides for owner drivers and any other aspects of the transport industry, let alone a direct employment relationship, which could equally be nominated as what should take place in both taxis and rideshare? The bailee-bailor relationship is a pretty ancient concept, is it not?

Mr WEBB: Yes, that is right, but obviously in New South Wales, though, we have the recognition that the relationship between a bailor and bailee can be regulated through chapter 6 of the Act.

The Hon. DANIEL MOOKHEY: Yes, but chapter 6 regulates many other types of relationships in the transport industry.

Mr WEBB: That is right, yes.

The Hon. DANIEL MOOKHEY: So when we are talking about bailment reform, it is not like we have to invent a whole new relationship. There are a variety of relationships that are already provided in chapter 6, is that correct?

Mr WEBB: Yes, that is correct. From my understanding, the purpose of chapter 6 when it was first introduced was to provide protections for people who were considered as dependent contractors. They are contractors in the sense that they are really dependent upon principal contractors providing them work, rather than them going out to be able to seek work. It was recognised that they had limited bargaining power and limited say in what their terms and conditions would be for the contracts. Obviously through the introduction of chapter 6 there is a scheme that exists now where it is entirely possible to achieve those outcomes for all types of contractual relationships that are not along the employer-employee relationship, and we achieved that. The TWU has achieved that in various industries across the transport industry. We are talking the waste industry—

The Hon. DANIEL MOOKHEY: Car carrying.

Mr WEBB: Car carrying, tip trucks, excavated materials, quarried materials and couriers. We are the primary body that is advancing the interests of those workers in those industries by trying to achieve better labour standards for them through that process that already exists under chapter 6.

The Hon. DANIEL MOOKHEY: And being able to think about the other relationships that are provided for under chapter 6, which are not the bailee-bailor relationship, that would also solve the problem that Mr Harris is talking about, which is the artificial return to licence plate owners for an artificial rent, as you described it, or monopoly rent was how you described it. Mr Harris, is that correct?

Mr HARRIS: It is true that it was a monopoly rent until the point-to-point regulations came in.

The Hon. DANIEL MOOKHEY: That only exists in a bailee-bailor relationship.

Mr HARRIS: The monopoly rent is paid to the plate owner for the monopoly right to pick up hails and immediate radio bookings.

The Hon. DANIEL MOOKHEY: To use the licence.

Mr HARRIS: No-one else could do that until the point-to-point regulations allowed rideshare to provide rideshare services, which it does not; it provides hail services, which are strictly limited to taxi licence holders and their bailees.

The Hon. DANIEL MOOKHEY: But the effect, is it not, of the way in which you just described it is that licence owners, or bailees in this scenario, are transferring the risk to drivers on what happens in the marketplace and how much money is coming into the cab?

Mr HARRIS: Yes, that is fixed and has very, very little—again, everyone is told that it is market forces, but there is no market. It just seems to be a phone call to either a finance company or the biggest taxi service in Sydney to find out what the going rate is and then it is negotiated around that, at \$10 or \$20 up or down. There is no market. As to fatigue, the need for fatigue management was brought to a head and precipitated very much by the death of an Uber passenger. The driver was later convicted of manslaughter and is now in jail. Before that, I am reliably informed that the last fatigue-related accident in a taxi was in the early seventies. The literature on fatigue management is pretty clear in that driving for three-and-a-half hours in a simulator, which was titrated to real-world conditions, three-and-a-half hours driving long straights with minimal bends, like highway driving, with big trucks or cement trucks is fatigue inducing. But three-and-a-half hours in the same simulator driving short, differing bends and short, differing straights was fatigue reducing.

The second fatigue-reducing activity is more akin to taxi driving than the fatigue management system, which seems to have been lifted from the long distance heavy haulage regiment. As for time limitations, in the

cooperative I drive for, Manly Cabs, it is definitely 12 hours. For 13cabs and Taxis Combined Services, or a2b as it is now, it is 14 hours. For Uber it is 16 hours. Drivers are self-selecting. The drivers who are particularly prone to fatigue all end up driving for Manly, those who are not quite as prone to fatigue drive for a2b or 13cabs and those who are highly resistant to fatigue drive for Uber. I would actually suggest it is the reverse of that. Uber are generally drivers who have had minimal experience of driving for hire, driving long times and managing their fatigue. From my personal observations of their driving habits, they are very inexperienced in their actual driving techniques and they are probably inexperienced in their fatigue management, but they have the most generous fatigue management system in terms of the ability to work.

The Hon. SCOTT FARLOW: I just have one question to Mr Harris on the back of that. If you were theoretically working for Manly Cabs and you had done your 12 hours, could you then go off the books, so to speak, and work for Uber for a couple of hours after that?

Mr HARRIS: I personally would not do Uber, but yes. Because there is no interactivity between the taxi networks, you can drive 12 hours for Manly and 12 hours for Uber and then go back and drive 12 hours for Manly, theoretically. Because you just register with Uber and there is no understanding.

The Hon. SCOTT FARLOW: There is no information sharing to limit hours.

Mr HARRIS: Yes. There should be a central receptacle of when people are on and off across the point to point. The whole problem is that there are twentieth-century systems except for the Uber app and the regulators are stuck with twentieth-century systems. There is no marketplace when you can easily set one up for plate prices and lease prices, and then the great lie of "everything is governed by market forces" is perpetuated. I have a lot of sympathy for the Uber drivers, because they are not earning a great deal of money and their costs are exorbitant.

One of the interesting things I read that is looking at all of this was that Uber Cayman Islands had the largest non-manufacturing book of cars in the world, outside Toyota, which bought General Motors, and they sold that off at a huge loss because of the quality of the cars that were returned. They had had it; they had done enormous amounts of miles and were not really salvageable or fit for sale. It is very hard on their cars. They were being sold a bill of goods in terms of use your own car, but if you use your own car and you want to earn any overall quantum of money, you have to drive incredible distances with increased use of resources and you ruin your car. I do not think in any earnings estimate of Uber that I have seen is there any account for depreciation, which is excessive in an Uber car.

The CHAIR: Just on that point, on the first day of hearings a couple of witnesses suggested that there should be a maximum age of vehicle required across the board, and I believe this used to be the case.

The Hon. MARK BANASIAK: I believe there is one for taxis.

Mr HARRIS: Yes, it applies for taxis.

The CHAIR: What is your view on requiring that for rideshare?

Mr HARRIS: I think it would be a good idea, although most of the rideshare vehicles I see are late model and they are rented out by a group, so they are usually late model. You do not see very many older cars. I mean, the photograph in my submission down at Manly with the P-plate driver, that would have been a about a 20-year-old car. Yes, they should have the equivalent requirements as taxis, at the very least.

The CHAIR: Mr Webb, how would that impact drivers?

Mr WEBB: I just think that it is good public policy because it is a protection put in place to ensure that vehicles that are on the roads driving passengers from the general public are up to an appropriate standard. Unless I can be corrected on this, the only required standard, at least from a legislative or regulative point of view—other than their own self-regulation by these rideshare companies—is that it is roadworthy in accordance with RMS standards. Do we think it should be acceptable to apply that standard to vehicles that are carrying passengers who are putting their lives in someone else's hands? Is that the acceptable standard? Well, I do not think so. Yes, there should be a consistent standard across both these industries when you are talking about the public being carried in vehicles.

On the point of vehicle age, there are other ways to deal with that as well. One that springs to my mind in some of the other industries that are covered by chapter 6 is that there are things such as incentives for drivers to renew their vehicles, for example there are different rates of remunerations depending on the age of vehicle. Sometimes that is more about the cost recovery effects of that, i.e. it might cost more money to run a new vehicle because the initial finance cost and leasing cost might be higher. There is also quite often incentives for drivers to renew their vehicles, not only from a safety perspective but also from an efficiency perspective for the business

that they are performing work for. I still think it is important that there is a set standard for safety regulations for vehicles that are carrying the public.

Mr HARRIS: While we are talking about safety, one of the reasons taxis have odd-spotted colours and a big sign on the top of them is to identify them as a non-local driver and a car which may suddenly turn right. Passengers, especially at night—they say you always follow the hand. If they say turn right, you turn left, but it tends to be sudden, so the identification of point-to-point vehicles is important for everyone's safety and to decrease the risk of accident. The non-enforcement of the retroreflective signs being put on the rear of Uber vehicles affects everyone potential safety because they do tend to turn suddenly and unexpectedly, no doubt because of their passenger saying "Turn left here" or "right here" suddenly when they are going along. There are all of these things that stem from a simple non-enforcement of retroreflective signs on rideshare vehicles on the driver's side rear window, which is, more often than not, not followed.

The Hon. MARK BANASIAK: Going back to the vehicle requirements for taxis and rideshare, in budget estimates I went through a long list with the commissioner of what taxis have to comply with in terms of vehicle requirements, including the retroreflective signage and vehicle age, and all of that sort of stuff, and compared it to Uber, which was very minimal, and his reasoning for that was that taxidrivers had rank and hail and it was a safety issue because you did not know who your taxidriver was. Can you comment on his reasoning given the fact that your testimony here today is that Uber is not adhering to rank and hail? It seems like you are being lumped with all of these requirements based on a false premise.

Mr HARRIS: Both groups should have the same safety features because both groups are transporting members of the public on public roads and both groups are clocking up large kilometres. From my understanding, talking to a few drivers who have swapped over to Uber, they do far more kilometres driving Uber on a regular basis than they were in cabs because the work is more dispersed. I think, as a matter of public safety, both groups should have exactly the same rigorous standards. Some owner-driver cabs may only come out two or three nights a week, so the argument that Uber cars are only used for a short period of time—you can have an accident straight after you start.

The Hon. MARK BANASIAK: I think it is also ignoring the fact that they are also using their vehicle for private use and that is also, I guess, contributing to the wear and tear of their vehicle.

Mr HARRIS: Well they have got the extra wear and tear of a point-to-point vehicle plus their private use, plus the inexperience in assessing whether their car has major problems that occur with long-term wear that may affect its risk for an accident.

Mr WEBB: I just wanted to make the point that if there are any additional regulatory requirements that would be imposed on rideshare drivers there needs to be protections as to where that cost comes from as well, because in the taxi industry the majority of drivers are under the bailor-bailee relationship, in which case most of those costs would be incurred by the operators or owners of the vehicles. Whereas, in rideshare all of the drivers own their vehicles and therefore they would be the ones that would have to absorb any additional costs that are incurred as a result of any regulation, whether that is safety or otherwise.

That, again, brings me back to the point as to why it is imperative that there are legislative protections for these workers to ensure that they can recover those costs because rideshare drivers do not set their fares, they do not have certainty around their earnings, and they do not set their contractual terms and conditions between them and their operator. It is very easy to see that without having an underpinning system that allows for fair and reasonable rates of pay for those drivers who operate their own vehicles, which extend beyond minimum wages—it is also about cost recovery—that would impose additional costs on those workers.

From our experience, where there are additional costs passed on to drivers there is generally a correlation between that and things such as driver fatigue because they have to work longer hours to earn back the input costs for their business, and speeding because they are trying to drive quicker on the road to get their things done and to get onto the next job. There is a direct link between road safety, which is a broader public issue than just for drivers as well, and the ability for dependent contractors to recover their costs. While I think it is important that these things need to happen and there needs to be regulatory improvements in both industries, but particularly to bring rideshare up to taxi standards, that will not work without—the point that I have been making all along—having that system underpinning it to allow them to have fair and reasonable rates of pay not just on their own wage that they take home but for cost recovery purposes as well.

The CHAIR: For safety purposes, yes, we absolutely need to do certain things around the age of the vehicle, but if that ends up impacting on drivers and making their conditions worse then that is not desirable, so we need to think about the way around that. Mr Jools?

Mr JOOLS: There is a point, madam, that we are neglecting and that is that a modern transportation system can also use what they call on-board devices [OBD]. An on-board device notifies the operator, the network and the driver if his tyres are flat, if the brakes need fixing, if there is some other defect of the vehicle, if it has been operating for too long, or if the temperature in the engine is too high, but we are not utilising the OBDs—other than in my proposed new network—to the extent that would reduce these costs. At the moment, the existing taxi networks require vehicles to be brought in every three months for a whole-day inspection. That costs somebody. The cost that is there may be payable by the operator but it certainly gets passed on to the driver in terms of his pay unit.

The analogy that Mr Webb is trying to isolate between rideshare drivers and taxidriviers is somewhat flawed because in the end the driver is paying for the maintenance of the vehicle one way or the other, but what we are not doing—and that comes back to a point that we probably need more regulation across the board rather than less regulation—would be to require that all point-to-point vehicles have an on-board device that can notify whoever of a problem within the vehicle because the passenger safety is affected. If the tyre pressures are crook or if the brakes are worn out, all of those things can be notified and immediately demonstrated by an OBD. This is perhaps where the Committee needs to be heading. We need a little bit more regulation not a little bit less regulation.

The Hon. DANIEL MOOKHEY: The point that Mr Webb makes is that regardless of whichever technological solution is proposed at whatever point in time, if the costs are internalised by drivers it leads to a poor safety outcome. Mr Webb, you have made the point about rideshare not being in a position to set fares or to negotiate a relationship with the platform operator as well. Your view is that if we were to expand the scope of chapter 6 to provide for cost recovery in addition to those principles about labour return, they should be the two principles that the Committee pursues.

Mr WEBB: Yes. This is not a radical idea; it has been going on for 60 years for dependent contractors and owner-drivers and bailee/bailors in New South Wales. The main point I think I was trying to make is that there is already a system that exists to deal with these issues. It does depend upon the parties involved in the industry being proactive in that regard, but there currently exists a legislative scheme in chapter 6 that allows the ability for taxidriviers, but currently not rideshare drivers, to collectivise and bargain and seek better conditions and cost recovery outcomes. But, more importantly, there is an independent arbitrary body that also can determine these based on the evidence that is put before it by the parties. They can set what are fair and reasonable terms and conditions that ensure both minimum labour standards and also cost recovery to ensure the safety of the public.

The Hon. DANIEL MOOKHEY: The basic summation of your position is that the labour standard arrangements need to be reformed for both taxis and rideshare.

Mr WEBB: Yes, but there is an ability to do that with taxis now.

The Hon. DANIEL MOOKHEY: And that system now needs to apply to rideshare too.

Mr WEBB: That is right. There has been a lack of, I suppose, proactivity on our part and other players in the industry through that scheme because, as I said in my opening statement, if we are pushing that industry higher up in terms of its standards, all we are really doing is setting up their extinction because they cannot compete with rideshares that are not there.

The Hon. DANIEL MOOKHEY: That brings me to the question I was going to ask: In the absence of meaningful labour regulation for rideshare, it is uneconomic for either the taxi operators or the driver representatives to pursue reform of taxis because, effectively, they would be making the taxi industry uncompetitive.

Mr WEBB: You would just be pricing yourself out of the market.

The Hon. DANIEL MOOKHEY: Basically, you are saying that the absence of reform on the rideshare side is leading to inertia of reform in taxis. Is that correct?

Mr WEBB: That is exactly correct. As I said, the last variation of the Taxi Industry (Contract Drivers) Contract Determination, which varied pay-in rates for taxidriviers, was in 2012.

The Hon. DANIEL MOOKHEY: And you cannot bring an application to the tribunal unless you say you can apply it to both rideshare and taxis, because otherwise you would be making taxis uncompetitive.

Mr WEBB: That is the position that we have taken since 2015 or 2016 through the, I suppose, explosion of rideshare operators, and why our focus in the past four years has been trying to make governments understand

that there needs to be something done to regulate these unregulated markets of rideshare operators, because we see that that needs to happen first before we can even get to the point of making changes to the taxi industry.

The Hon. DANIEL MOOKHEY: Government inaction has led to a pay freeze. Is that what has happened?

Mr WEBB: Yes.

Mr HARRIS: I think there is enough in the current fare structure to pay drivers reasonably, provided you strip out the monopoly rent, or the payment for the monopoly rent that is no longer in existence to plate owners. To do that, you create markets where the market value of the plates is findable.

The Hon. DANIEL MOOKHEY: Mr Harris, you are assuming that you will not then have to pay monopoly rents to a platform operator in rideshare. There is no point removing the monopoly rent to a taxi licence plate owner if, instead, you are just paying it to Uber or Ola or any of the other companies. Is that correct?

Mr HARRIS: But there are two: Uber and Ola. Both of them cannot have a monopoly. They are competing in the point-to-point transport field.

The Hon. SCOTT FARLOW: Theoretically, could you not make the same argument about operators when it comes to the taxi industry? You have different operators and different networks to choose from.

Mr HARRIS: You do, yes. There are choices of operators but the pay-in structure is pretty constant between all operators for one single network, which tends to suggest that it is rigged.

The CHAIR: Unfortunately, we are out of time unless there is a burning question from the Government members, who have not been given as much time.

The Hon. SCOTT FARLOW: I have one quick question to the TWU. I will outline a slight conflict of interest: My father is a member of the TWU.

The Hon. DANIEL MOOKHEY: I am more conflicted.

The Hon. SCOTT FARLOW: I know; you are much more conflicted than I am. Out of interest, how many taxidrivers in New South Wales are members of the TWU?

Mr WEBB: I would have to take that on notice. I am not aware of it at this point.

The Hon. SCOTT FARLOW: That is fine.

Mr JOOLS: Madam Chair, could I make one point? There is a current move to lease taxis by the week. The contract determination provides for shifts and return of vehicles shift by shift. the growing habit of a weekly lease of a taxi comes from nowhere, but it does lead to fatigue and exploitation of the driver. Have we considered, or has your Committee considered, this growing tendency towards a weekly lease, which exists nowhere in the regulations?

The Hon. SCOTT FARLOW: Mr Jools, is that partly to try to get around the bailee-bailor relationship as well?

Mr HARRIS: No, it is not. It is for the operator to get a certain amount of certainty in the weekly payment, and then there is a discount on each night. It is a standard thing in business: You can have a decreased margin with increased certainty. So it is a way for operators to get certainty and getting cars out on the road.

The Hon. DANIEL MOOKHEY: But the existing contract determination only provides for shift-based leasing?

Mr HARRIS: *Nineteen Eighty-Four* was a novel. It was a long time ago.

The Hon. DANIEL MOOKHEY: But right now, the 2012 determination that Mr Webb referred to—

Mr HARRIS: It was in 1984, wasn't it?

Mr WEBB: It was last varied in 2012.

The Hon. DANIEL MOOKHEY: The last review of it was in 2012. It only provides for shift-based bailment. Is that correct?

Mr JOOLS: Correct.

The Hon. DANIEL MOOKHEY: To the extent to which operators are offering week-based bailment, that is seemingly, on the face of it, inconsistent with the bailment determination, is it not?

Mr JOOLS: Correct.

The Hon. DANIEL MOOKHEY: You would agree with that, Ms Wisniewska, given that you are the lawyer here who is probably an expert in that?

Ms WISNIEWSKA: I would have to take that on notice.

Mr WEBB: Yes, that is right.

The Hon. DANIEL MOOKHEY: So it is inducing drivers to need to spend more time on the road to earn enough to pay back the week's lease. If you are asking whether we are pursuing it, I think we might.

Mr JOOLS: Thank you.

The CHAIR: Now that we have heard about it. We are out of time, unfortunately. Thank you very much for attending this hearing. There was one question taken on notice; the Committee has resolved that answers to questions taken on notice be returned within 21 days. The Committee secretariat will be in touch with further details.

(The witnesses withdrew.)

ANN TAN, Head of Legal and Business Excellence, Ola, affirmed and examined

SIMON SMITH, Managing Director, Ola, affirmed and examined

AMANDA GILMORE, Head of Driver and Compliance, Uber, affirmed and examined

MITCH COOPER, Head of Public Policy and Government Affairs, Uber, affirmed and examined

The Hon. MARK BANASIAK: Welcome to the next session of the inquiry into the operation of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016. We now have representatives from Uber and Ola. Would anyone like to make a short opening statement?

Ms GILMORE: Let me start by thanking the Committee for the opportunity to address you this morning. The reforms to the point to point transport sector that we are discussing today have delivered real benefits for New South Wales. Over a million New South Wales residents and visitors choose Uber as a safe, affordable and reliable way to find a ride. That is all made possible by tens of thousands of driver partners who have access to a truly flexible way of working. Just about anywhere in the city today, you can push a button and a car will show up in a matter of minutes. That really changes the way that people think about their transport choices. It is making it easier to access public transport or get home safely after contributing to our night-time economy, all while creating flexible work.

Of course it is not just here in Sydney. Over the last year we have expanded our coverage to every square mile of New South Wales, including towns like Tamworth, Wagga Wagga and Bathurst. These reforms have unlocked massive consumer benefit for New South Wales. It has delivered increased competition, consumer choice and innovation. This is made clear in the independent assessment of the sector by the IPART. Their research shows that the point to point transport pie has grown significantly and that New South Wales residents are more and more satisfied with point to point transport, whether they are choosing rideshare, taxi or hire car. What is there to improve? We have set out six recommendations in our submission but today I am keen to draw your attention to two of them.

Firstly, it is time to end the passenger service levy [PSL]. Adding \$1.10 for every trip hits the back pocket of every rider in New South Wales. It makes affordable offerings like Uber Pool challenging and it means that every driver—whether rideshare or taxi—is getting less business because prices are structurally higher than they need to be. Ending the PSL would help household budgets and stimulate demand at a time when it is sorely needed. Secondly, while New South Wales residents have generally enjoyed the benefits of these reforms, it is time to ensure that taxi transport subsidy scheme [TTSS] customers have the same mobility choices by making the scheme mode-neutral. The New South Wales Government supported this recommendation in 2015. Five years later, it is time to get it done. Disability groups are calling for it. Our research has found that it would generate a social return on investment of \$85 million for the state while making the TTSS dollar go further for customers. Victoria has just expanded its accessibility subsidy to include rideshare and we would like to do the same in New South Wales within the next 12 months.

Mr SMITH: Thank you, Chair and members of the Committee. Ola is a technology company; we connect people. We were founded in India in 2011 and we are one of the world's largest and fastest growing rideshare companies, operating in Australia, New Zealand, the United Kingdom and India. One of the keys to our successful growth and global expansion has been our focus on drivers. By taking lower commission rates, we give drivers the opportunity to increase their earnings. This allows them to take more per ride meaning they get to keep more money in their pockets. We also offer more consumer choice, including choice on prices and vehicle types, to help passengers conveniently and safely get from A to B. In Australia and New Zealand we have over 1.5 million registered users. As of last July, 75,000 drivers have served well over 200 million kilometres across 36 locations. Globally, Ola helps move over 200 million users via its network of 2.5 million drivers hosted across 250 cities.

Alongside our core rideshare platform, Ola is a key global innovator in the mobility space and invests significantly in emerging transport technologies such as electric vehicles. Ola harnesses technology to connect people. We match consumers who need transport options with drivers who can use an asset they already own—their car—to generate extra income. We launched in New South Wales in 2018, well after the deregulation of the industry. We take seriously our responsibilities to the communities in which we operate including tax obligations, regulatory compliance and our responsibilities to the users of the platform—both drivers and riders. We approach public policy with two major focuses: our drivers and our riders. We understand that many drivers and consumers are very sensitive to increased costs. We believe that this must be accounted for with any regulatory change. A large number of our drivers are people looking to make supplementary income to support their families in the face

of the rising cost of living. The varying types of drivers, their need and desire for flexibility and their cost pressures should also be considered in public policy decisions.

I want to acknowledge the global COVID-19 pandemic and the impact that it has had on the gig economy and the wider New South Wales and Australian economies. We would also like to note our sympathies for those who have suffered during this crisis including those who have tragically lost loved ones. Ola worked with the various governments across Australia to send out messages to our millions of riders and drivers to provide updates on COVID-19 and encourage people to download the COVIDSafe app, to do our bit in helping to stop the spread of the virus.

As our input into this inquiry, we make seven recommendations: the passenger service levy should be abolished to reduce cost pressure on rideshare and taxidriviers and passengers; safe drop-off and pick-up zones for all point-to-point vehicles should be established in our city centres; safe zones should be established at special events for pick-ups and drop-offs for all point to point vehicles; rideshare should be given the same access as taxis to bus lanes; CTP charges for rideshare trips should continue to be charged based on distance travelled so as to not deter part-time drivers from entering the industry; more work should be done to coordinate the management of fatigue across platforms; the Government should work towards aligning licensing regulations between the States.

Ola has been recognised for its collaboration with governments and communities across India to solve local transport issues in innovative and meaningful ways. We are making purposeful strides to engage with policymakers and thought leaders here in New South Wales and Australia. With that in mind, I thank the Committee for the opportunity to meet with you today and I look forward to your questions.

The Hon. MARK BANASIAK: Both of you have called for the abolishment of the passenger service levy. How much has been collected and paid into the passenger service levy is one of the greatest secrets known to man, it seems. From your perspective, how much has Uber and Ola contributed to that fund? I note that under the regulations there is a requirement for the driver to be regular to contribute to that passenger service levy. From your perspective, how much have Uber and Ola contributed to that passenger service levy fund?

Ms GILMORE: I am happy to go first. Actually, in the P2P report that was released last week, I believe, they have noted that they have collected over \$150 million towards the PSL. So I think from our perspective, we believe it has achieved its intended purpose and that, in light of COVID, now is a nice opportunity for a government to step in in that.

The Hon. MARK BANASIAK: But you do not know how much you have contributed as an entity?

Ms GILMORE: I do not have that figure on me.

The Hon. MARK BANASIAK: Would you be able to take it on notice and come back to the Committee?

Mr COOPER: Just to come in here, the figure obviously is commercially sensitive in terms of setting out effectively the market share of participants; that is a closely guarded secret for entities. Obviously the Government has access to that information.

The Hon. DANIEL MOOKHEY: Understanding your point that at the platform level that would be commercially sensitive, but one of the issues that has repeatedly come up in budget estimates and other hearings is what is the balance that is coming from taxis versus rideshare? Do you have any information about how much of that \$150 million that has been collected, what is the balance between the two forms of the P2P? We will ask this of Transport.

Mr COOPER: No, we have no visibility of that. There are quarterly figures published by the State Revenue Office on how information is collected. It is interesting because of the way it is collected slightly differently across industry, there are some unusual fluctuations in that data. We obviously are able to collect it relatively easily, whereas, as I think we heard from submitters earlier in this process, the process for some in the taxi industry is a bit different, but that data is published quarterly.

The Hon. DANIEL MOOKHEY: They publish it according to booking service providers and others and of which I think you are licensed as booking service providers, are you not, technically?

Mr COOPER: Yes, that is correct. I think it has just published the total collection.

The Hon. DANIEL MOOKHEY: Yes, and we have had breakdowns between the booking service provider [BSP] and the other forms as well. But within the BSP category, because there are a lot of people who are dual registered—there are people who are registered in taxis who are BSPs as well—it is hard to break it down

as well, but to the best of your knowledge there is no publicly available information which would allow us to isolate rideshare, and you are not getting access to that information?

Mr COOPER: That is right. To the best of our knowledge.

The Hon. DANIEL MOOKHEY: Have you sought that information by any chance from Transport?

Mr COOPER: No, we have not sought it out.

The Hon. DANIEL MOOKHEY: Have Ola sought that out or not?

Mr SMITH: Not that I am aware. We sought out similar information in New Zealand. We launched after the deregulation, so the levy has been collected on every ride that our drivers have completed in New South Wales. I am happy to provide the exact number on notice. It will be commercial in confidence.

The Hon. DANIEL MOOKHEY: But it is not an unreasonable assumption or an ask to assume that rideshare is a major contributor to the levy, or at least rideshare passengers are major contributors to the levy. That is not unreasonable, is it?

Mr COOPER: I think that is a good assumption. There are obviously some other data points out there so IPART's research has obviously shown growth in the point to point transport pie, but that has been relatively stable taxi trips but an increase in rideshare. So you can deduce from that, obviously, roughly a perception of share in that category. We do not have visibility, of course, on exactly what that would look like, and of course the other side of it is that the way our booking services work means that there is a high degree of reliability of ensuring the levy is collected on every single trip because it is all digitised, all tracked. So I think we have a high degree of confidence that our part of the industry is certainly paying its fair share.

The Hon. MARK BANASIAK: Talking about the growth of the point to point pie, so to speak, we heard from testimony that there are now 125,000 PTP licences, and in budget estimates I asked Transport for NSW is there any way of gauging how many of them are active or inactive, and they had no way of gauging the status of those licences. As companies, are you able to gauge how active those licences are being used and do you have a trigger point where you say that person has not driven for us for 12 months, we are going to hibernate that or not renew that?

Ms GILMORE: We do have visibility into the drivers that are, let us say, active and able to take trips on the platform. Obviously the nature of rideshare is it is incredibly flexible so you can choose to log on whenever you like as long as you are still fulfilling the requirements. We do not hibernate them after any certain time unless, let us say, one of their documents has expired—for example, their drivers licence—at which point our systems would automatically block them from coming online and taking any trips until they can fulfil that requirement again.

Mr SMITH: Yes, the same. Because we are a booked platform we have got great visibility on exactly what drivers are driving and how many drivers are eligible to drive. Similar to Uber, we do not retire drivers, if you like, we allow them to drive until their documents expire and then they are blocked from our platform until they reload those documents. And we do see drivers come in and out of the industry as their circumstances change.

The Hon. MARK BANASIAK: In terms of that monitoring system I think there was a case in Victoria, I think it was an Uber driver, where his friend used his account and then was picking up passengers and there was an unfortunate incident where a passenger was assaulted. What steps have been put in place in your systems to protect from that occurring now?

Ms GILMORE: We have a number of checks and balances in place to ensure that the person whose active account it is is actually the person in the car. The most notable one probably is what we call our real-time ID checks. Before a driver is able to go online they are asked to take a selfie and that selfie is automatically matched using AI with their profile picture that we have on record. That happens on a recurring basis so that we ensure that the person providing the trips is actually the person whose account it is.

The Hon. MARK BANASIAK: Could that be got around through a screenshot of the person's face at all? It has to be a physical current selfie?

Ms GILMORE: Yes, there is a number of other additional checks and balances in that technology, which makes it so that you cannot just do it with a screenshot or a picture.

The Hon. DANIEL MOOKHEY: Could I ask a follow-up question? How many times have you detected that there has been an attempted fraud in that respect?

Ms GILMORE: I do not have that number on me.

The Hon. DANIEL MOOKHEY: Is it a common problem?

Ms GILMORE: Not that I am aware of. Sometimes we would get what you would call false positives because let us say it is a blurry photo or something like that.

The Hon. DANIEL MOOKHEY: I cannot get my face ID to work on my phone all the time.

Ms GILMORE: It just needs to be a very clear selfie. So that might be a situation where it might not let someone into the platform until they take a proper selfie.

Mr COOPER: I just quickly add that it is an important safety issue and it is something that has come up. The regulator, who you will meet later, has certainly asked as part of the process, "What have you got in place for it?" and I think that they are turning their mind to this issue across the industry. So it is something that we take very seriously and we have been able to explain that to our regulator as well.

The Hon. MARK BANASIAK: In keeping with that safety theme, there has been a lot of discussion in the previous sessions about the vehicle safety aspect and what taxi participants have to comply with compared to Uber and the suggestion that there may need to be a levelling up of that. I just want to get both your opinions on that levelling up in terms of the safety requirements, recognising that rideshare only has a minor issue—you only require them to have a roadworthy vehicle according to the State's legislation. What is your view on a levelling of that requirement in terms of safety, in terms of vehicle age, signage, all that sort of stuff?

Ms GILMORE: I can weigh in. At Uber the vehicle safety is something that we do take very seriously. So all of our vehicles on our platform have to be 10 years old or newer to pass the relevant State vehicle inspection, and then also we require that all incoming vehicles at this point are Australasian New Car Assessment Program [ANCAP] 5-star rated, and then we are going through a process of phasing out any cars that are on the platform over the next few years that have less than a 5-star rating.

Mr SMITH: Our policy in New South Wales is that the cars have to be 2010 or younger. I note from the Government's own submission that overall customer satisfaction is higher for rideshare than for taxis. So clearly any disparity in terms of the quality of the vehicle is not reflected in what customers feel. We also actively invite our customers to give feedback about a number of aspects of the service including quality and cleanliness of the car. If we see concerning levels of negative feedback on anything, including those two, we take action to cancel the driver and, if necessary, at some stage reluctantly remove them from the platform.

The Hon. MARK BANASIAK: Mr Smith, you said in one of your recommendations that you would like to see rideshare using bus lanes or transit lanes. How would you see that being enforced, given it is very difficult to ascertain whether someone that has an Uber, an Ola or a Lyft sticker on the back of their car is actually actively going about picking up passengers, compared to a taxi where it is clearly identified whether they are, I guess, performing their duties?

Mr SMITH: I think the reforms differentiated taxis. You can conduct rank and hail business from booked service providers. The ability of taxis versus booking services providers' vehicles to access bus lanes is to us an anachronism and that seems to be irrelevant to the distinction between the two halves of the industry. We note that technology can solve, for example, charging drivers tolls when they go through particular areas based on either a toll tag or actually in many cases based on number plate recognition. So we call on the Government to introduce parity in the access to bus lanes and believe that we can work with them to come up with a technology solution that would enable that.

The Hon. DANIEL MOOKHEY: I think the point that Mr Banasiak's question is trying to get at is: How would you distinguish when a rideshare operator is using the lane for the purposes of completing a trip as opposed to their own personal travel, given that the cars are intermingled between the two in your industry?

Mr SMITH: With data sharing with the regulator we know exactly when our cars are on a trip. Everything is tracked. So there is nothing to stop us cooperating with the regulator to ensure and, if you like, ex post ensure that only the rideshare vehicles that are on a trip were the ones accessing the bus lane.

The Hon. MARK BANASIAK: One of your other submissions is talking about pick-up and drop-off points for rideshare. Essentially that means doing away with the rank and hail protection that taxis currently have. We heard submissions last session from the taxi owners. They do not believe that Uber and other rideshare entities are actually adhering to that rank and hail protection and are often seen queuing up and picking up passengers in that fashion. How do you monitor that from your level and have you had reports directed to you guys in terms of those infringements?

Mr SMITH: It is actually not possible to take a trip on our platform other than booking it through the app, so the point of our recommendation is that many people book trips through the app and then there is difficulty

safely connecting with their driver at a crowded event or in a city CBD and there is no space set aside. We are not asking for space set aside for drivers to create a rank, if you like. We are just asking for a safe space set aside for them to wait, as there is at the airport, and then also conveniently pick up passengers so it is safe for not only the passenger and the driver but also the other road users.

Ms GILMORE: Yes, and I would second that. Our ask is for the ability to conduct safe pick-ups and drop-offs. As the proportion of trips that are happening have increased on rideshare we would like to see the infrastructure of the city reflect that so that people can get safely in and out of their Ubers. Similar as has been mentioned for Ola, all of our trips are pre-booked and so there is not the ability for someone to just jump in a car. It potentially could look that way from an outsider's, but that has all happened via the app and it is just probably an Uber pulling up to conduct that pick-up.

The Hon. DANIEL MOOKHEY: So when both organisations say you have made this submission to government, what has been the response of the Government? Have you made this submission to the Government that you should have access to safe pick-up zones on the road network and the like?

Mr SMITH: Since we launched in New South Wales we have in general found the level of regulation to be great. We have not engaged heavily with government. That is certainly something that we have a point of view over but, no, we have not made an explicit submission to government other than through this and similar inquiries.

The Hon. DANIEL MOOKHEY: I ask this because we will put this to the transport officials this afternoon. So it is really a case of: Are they aware that this is a request that you have made?

The Hon. JOHN GRAHAM: And have you had any early reaction to it?

Mr COOPER: Yes. And if people would like to see a picture I can draw your attention to page 22 of our submission. We have had some limited success with this in Australia so there are a couple of examples there—one in Brisbane but another actually as part of the pilot we did in Manly with the ferry. We did subsidise UberPool rides to help connect people for their first and last mile journey. In doing that there is infrastructure there to provide essentially—public transport officials describe it as kiss and ride—pick-up and drop-off zones, which obviously work for private transport folks dropping people off at public transport hotspots but also is available for use by booking services' vehicles. So we think there are good examples there. In terms of the actual engagement with government we would welcome any allies in putting that case forward. It is a problem that I think the State and local government have to work together on because there is obviously on the one hand a set of standardised RMS signage that local government use and there is obviously a question around those local government streets and infrastructure. A bit of overload there but absolutely an opportunity for industry to work together.

Mr SMITH: I do believe there is a trial also going on in Wentworth, both Bondi Junction and Bondi Beach, with a similar idea.

The Hon. MARK BANASIAK: In terms of engagement with government and noting that Ola came late into the market, so more directly to Uber, before the regulation came into effect there was Uber operating and there is contention as to whether it was legal or not legal. What engagement with government did you have before Mike Baird came out and said Uber is now legal? What engagement did you have with government in terms of putting together that regulation?

Mr COOPER: We sought regulatory reform. So we obviously participated in the task force process and then obviously there was consultation on the recommendations and legislation. So we were involved in those consultation processes and we did seek regulatory certainty for ridesharing.

The Hon. MARK BANASIAK: Did you meet specifically with the Premier at any point?

Mr COOPER: I am afraid that is before my time. I would have to take some of that on notice.

The Hon. MARK BANASIAK: Sure.

The Hon. DANIEL MOOKHEY: I want to turn now to the issue of the future of the levy. I understand both positions that have been outlined by both organisations but I would like you to respond to the Taxi Council's evidence. Did you see that this morning by any chance?

Mr COOPER: Yes, the Taxi Council.

Mr SMITH: I saw it in snatches.

The Hon. DANIEL MOOKHEY: So you are aware that they have a view that the levy should continue and it should be used to fund a buyback, which was a recommendation not pursued by Professor Sturgess in his report in 2015. To be fair to the Taxi Council and to the others, this has been a claim that the Committee has heard

now repeatedly from various people on the taxi side of the industry—regional and Sydney as well. Can I ask you to respond to that as to what you think, as to whether there is a need for and given that your part of the industry would be paying quite a lot of it? What is your view as to their argument that effectively what they call the legalisation of illegal enterprise led to the destruction of their capital value which should therefore justify from the State funded through a levy on passengers the reacquisition of their licences?

Mr COOPER: I am happy to start on this. First and foremost that was part of the consultation process as well. We put forward a view around compensation at the time. I think really this is obviously under consideration separately through the independent review but very much appropriate this Committee considers this as well.

The Hon. DANIEL MOOKHEY: Just to be clear, when you say "independent review", what exactly are you referring to?

Mr COOPER: The Sue Baker-Finch review.

The Hon. DANIEL MOOKHEY: Right. To be fair, we did not really know what they were referring to so it is helpful that someone can clarify that for us.

Mr COOPER: Which is not to say—it is obviously appropriate for this forum to consider it as well. Our view really on that question of compensation is we think one for the taxi industry to work out from government. Our perspective is that the passenger service levy charging \$1.10 per trip actually has a negative impact on the industry's recovery and growth. It obviously hits drivers and riders in particular so it makes services more expensive for those looking to get from A to B. It is especially important for services like us. We suspended UberPool in the light of COVID-19, but when you are offering services that help offer lower fares by efficiently matching people, you can be paying \$1.10, sort of 10 per cent of the Uber fare going out the door in the levy. It does make those services less economic and more challenging to offer. Ultimately it means there are actually fewer trips in the sector for drivers looking for rides because that is just the function of the service being more expensive. It dampens demand.

The Hon. MARK BANASIAK: Given the increased compliance costs that taxidrivers have, would you agree that rideshare probably has a better ability to absorb that \$1.10 levy than taxis do?

Mr COOPER: In terms of the compliance burden, both services are obviously regulated, and we would consider rideshare to be an appropriately regulated service. What is quite important, going back to the New South Wales Government's submission on this, which sets it out quite clearly, what the task force recommended and what was ultimately implemented actually reflected the difference in services between street rank and hail, which is an anonymous service, versus book services, and has sought to impose regulatory requirements that match the risks of those two types of services. In our case, for everything that is pre-booked, where details are exchanged in advance, where the trip is GPS tracked, where there is a rating system built on top, those requirements are different.

They are also different from an economic perspective to hopping in a service where you may pay cash, where the rider and driver are not necessarily known to one another and where there is less record keeping of the trip. Really, the difference in terms of the level playing field argument that some other participants in this process have raised we think principally come down to different risk profiles in the types of service. We do not offer anonymous services. Other participants in the industry do. At its heart, we think that is what drives whatever incremental regulatory costs exist for the taxi industry.

The Hon. DANIEL MOOKHEY: Before I invite Ola to answer the question, please follow up on two points that you made. Mr Cooper, you said that because the \$1.10 levy is a trip-based levy it has a disproportionate effect on smaller trips. Basically that is your argument, is that right?

Mr COOPER: Yes, that is correct.

The Hon. DANIEL MOOKHEY: Do you know the average value of a trip at Uber?

Mr COOPER: That information is commercially sensitive to us, but Ms Gilmore is probably best placed to give an example of some typical trips that you take, particularly with UberPool.

The Hon. JOHN GRAHAM: Mr Cooper, you are asking us to make some recommendations that might be commercially sensitive as well, so I think it is probably in both your companies' interest to provide whatever information you think might inform those recommendations.

Mr COOPER: We would be happy to follow up with some additional information that is commercial in confidence, but obviously just not as part of this appearance.

The Hon. JOHN GRAHAM: Which would be appropriate, yes.

The Hon. DANIEL MOOKHEY: Basically, am I right to say that the summary of Uber's position is whether or not the Government chooses to compensate taxis is a matter for the Government, but the levy is not the appropriate financing mechanism?

Mr COOPER: That is correct.

The Hon. DANIEL MOOKHEY: Can I hear from Ola on its response to the claims in the taxi industry in this respect?

Mr SMITH: We entered the market after it was deregulated. Effectively we believe that the \$1.10 tax per trip is detrimental to customers. We know our market is pretty price sensitive, which is why they will not tell us their average fare. We will provide ours in commercial in confidence on notice as well. But it is also to the detriment of drivers, both taxidriver and rideshare drivers, because it depresses demand for their services. As to whether or not the Government should compensate plate owners for the loss and value of their asset, we have no point of view on that. That is something that happened before we were here and we will leave that up to Government policy to refine.

The Hon. DANIEL MOOKHEY: One of the other propositions that is being advanced by some is that there are better ways to construct such a levy, including rather than it being on a trip basis, it is on a distance basis. Therefore you rationalise it that way and therefore you make it far more proportionate according to that travel, which to be fair would be harder for taxis than it would be for rideshare, because I am not sure they measure on a distance basis as much as you do, but they might now. Do you have any views on whether there is a superior way of doing it? Is your view in general that there is no need for the levy anymore?

The Hon. JOHN GRAHAM: Maybe accepting that is your position, do you have a view about either of those?

Mr COOPER: I am happy to jump in. Thank you for the invitation to take this as an "even if". I think there could well be opportunities to explore more efficient collection, but you raised a couple of important points. The first is obviously that it needs to be collected fairly across the industry on every trip. We know from submissions we heard earlier in this process, including around the cost of collecting a levy as it stands from other industry participants as well as things like CTP, there are definitely challenges in other parts of the industry to reliably collect more complex information like that. There are challenges that might prevent that. There is a percentage-based levy in Western Australia, which obviously looks to get around that. But from our perspective that obviously presents challenges too in terms of the efficient collection of it; it is capped at a certain level and it only applies in certain regions and that all drives a great deal of compliance cost. We heard from other submitters that they are spending up to 50 cents in the dollar on the cost of recovering the levy. I think we have to be very sensitive to the challenges of making it simple.

The Hon. JOHN GRAHAM: My starting point is, I am very sympathetic to the claim about reducing costs for consumers in this space. I think that has to be one of the focuses. But taking into account the views we have heard earlier, there is just no question this is an industry sector that is going through major economic change and that is still rolling out. Can you understand the view that has been put that there are real concerns by the other parts of the sector here about that change?

Ms GILMORE: Yes, we can totally recognise that the sector as a whole has gone through a tremendous amount of change. Also, recently with COVID this has been incredibly difficult for everyone involved. But given the economic hardship that all consumer are facing, to your point, removing the levy is the thing that we can do to stimulate that demand. It obviously not only helps the consumers, but it helps drivers, both taxi and rideshare.

The Hon. JOHN GRAHAM: Mr Smith?

Mr SMITH: Yes, I can understand the dislocation and the pain that has created. The deregulation happened before we were in this market. We favour any steps that can reduce the taxation burden on specific transactions, because we think that will benefit customers and both taxi and rideshare drivers.

The Hon. JOHN GRAHAM: I guess my question is: What do we know about what has happened to fares since this change happened? What information is out there and what information can you tell us about what has gone on with fares for customers?

Ms GILMORE: I think in the rideshare industry, and as it is supported in IPART's study as well—the Roy Morgan study—the number of rideshare trips have increased significantly. I think that is a function of how reliable, convenient and flexible a service it is.

The Hon. JOHN GRAHAM: That is not fares. What has actually gone on for the customer taking a trip since this change on fares? I know this is a complex question, which is why I am asking it. What has happened

to fares as people have gone on the same sort of journey? Have they gone up or down? What do we know and what can you tell us?

Ms GILMORE: Just to clarify, since introducing the levy?

The Hon. JOHN GRAHAM: Really since all these point-to-point changes were brought in.

Mr COOPER: I think the best proxy we have is the research that was published by both IPART and Transport for NSW. There were a couple of measures in there. The first thing that is helpful is to start with customer satisfaction. It is the highest—

The Hon. JOHN GRAHAM: I am not asking about customer satisfaction, though. Are fares going up or down since this introduction?

Mr COOPER: I am happy to dive in. The IPART research also looks at value, so while we do not have a perception of what the average fare across the industry is, it is obviously a competitive marketplace. We try and figure out how our competitors are pricing so that, like any competitive market, we have a sharp offer to consumers, but it is not a price-regulated market.

The Hon. JOHN GRAHAM: Which is why I am asking, and we will turn to Mr Smith.

The Hon. DANIEL MOOKHEY: I agree with you. One of the claims that rideshare has constantly made is that you have a dynamic pricing model, and what you compete on is the fact that you price separately and you price differently, and that is to the benefit of consumers, and yours is far more responsive to supply and demand. In fact, that is the core value proposition which rideshare advances. Can you give us any information about how that is working for consumers? And not just compared to taxis, but also compared to rideshare in 2015 and rideshare in 2020.

The Hon. JOHN GRAHAM: To add to the tail of that, you are asking us to recommend that the passenger service levy goes so that customers do not pay more, but without information about what customers are paying from your company it is very difficult to make an assessment about what is going on here. We are going to come to you Mr Smith.

Ms GILMORE: I understand where you are coming from and, as Mr Cooper mentioned earlier, we are happy to share some details that are commercial-in-confidence.

The Hon. JOHN GRAHAM: That is very helpful.

Ms GILMORE: I think the thing I would say about pricing is twofold. One, as rideshare has run, the nature of the types of trips that people are taking has changed dramatically and so they are taking it for lots of different use cases that they otherwise might not have taken taxis for.

The Hon. JOHN GRAHAM: I accept that.

Ms GILMORE: In addition, the types of fares that they can get access to have changed as we have expanded our service offering. As Mr Cooper mentioned, we have introduced UberPool which is a much more affordable product because it delivers efficiency by matching two people or more in the same vehicle. The other part about pricing, which I think has helped with transparency with consumers, is that they can see the price of a trip up-front in the Uber app and that helps them make a decision around if they are willing to accept that fare, and as you mentioned we do have dynamic pricing and that is all reflected up-front so that they can make that choice in a transparent manner.

The Hon. JOHN GRAHAM: Mr Smith?

Mr SMITH: Our standard tariff is actually publicly available information on the app—both per minute and per kilometre fixed booking fees—as is the standard taxi tariff. I think, by casual observation, a taxidriver never gives you a discount so we can assume that people will drive on that tariff, which does go up on the weekend, public holidays and the evening. Our fares do go up according to our peak demand algorithm. We can provide you with information on that on notice in confidence, however, I would say that the vast majority of the time the fares are the standard fares on our app.

The Hon. JOHN GRAHAM: How do the standard taxi and standard hire fares compare?

Mr SMITH: It obviously depends on the length of the journey, but we use a rule of thumb of around 20 to 25 per cent cheaper on our platform than a taxi. We invest a significant amount of money in incentivising drivers, so giving them over and above bonuses for doing certain activities, and we also invest a significant amount of money in customer incentives, so there is, as far as we are concerned, very real price competition in the industry.

The Hon. JOHN GRAHAM: I understand the complexity of what is a very simple question, but it is a complex answer because of the dynamic pricing. I think that whatever information you are able to provide us in confidence on notice would be useful. It goes to a couple of questions. Your key recommendation about where the passenger service levy goes or that access to the transport subsidy really informs where the Committee heads on those. It is also really relevant to whether or not the current monitoring of prices by the IPART is providing sufficient information to the public and the Parliament or whether there should be some more detailed scrutiny. The offers you have made are very helpful for the work that we will then do.

The Hon. DANIEL MOOKHEY: Ms Gilmore, to follow-up on the second aspect that arises from pricing which is supply, the argument made by the taxi industry this morning is that as a result of the deregulation there is no longer a cap on supply for booking service providers and there are no barriers to anyone driving through rideshare, and, therefore, that depresses income and returns for everybody. They argue that there should effectively be the restoration of some form of a cap on rideshares—the implication of their argument as well.

I am aware that Professor Sturgess explicitly recommended against this in 2015, and in fact favoured total deregulation and explicitly said that there should be no restriction on supply. Nevertheless, other international markets have pursued this in rideshare—New York being, I think, probably the most prominent of jurisdictions. What are your views on a cap? Can you address the claims from the taxi industry that the absence of a cap on supply is leading to unnecessary congestion on roads?

Ms GILMORE: I am happy to start and then Mr Cooper might want to weigh in. Our whole model is predicated on the fact that it is dynamic and flexible. To give you a little context around the types of people who are using the Uber app to drive, nearly 50 per cent of drivers—and this is from a report published by AlphaBeta last year—drive for less than 10 hours a week, so it is quite flexible and dynamic, and 78 per cent of people in that study said that the reason that they signed up to drive with Uber was because of the flexibility. That really does cater to the dynamic nature of the platform where you can have people coming online and working a few hours when there is demand there, and so it is a much different model than waiting around, potentially, at a taxi rank. It is for that reason that we would not be supportive of caps. We think that it allows us to meet the demand of riders in given cities around Australia, and we want to keep that flexibility.

The Hon. DANIEL MOOKHEY: Mr Smith or Ms Tan?

Mr SMITH: Yes, I think a big appeal for our drivers is the flexibility and the ability to just drive when they like and as often as they like—75 per cent of our drivers view their activity on Ola as part-time. We do not support caps. We believe that our drivers are happy with the way things are, and also given the extremely dynamic level of demand in the industry a cap would be counterproductive for consumers as well.

Ms TAN: To add to that, the algorithm in relation to dynamic pricing also works in that favour in terms of having supply meeting demand, and then when demand increases the supply increases. Having a cap does not really lend itself to such a model in relation to flexibility, as well as how it all works.

The Hon. MARK BANASIAK: On that flexibility, and given the time we now live in with COVID, one of the problems that taxi owners have spoken to me about with COVID was that under the regulation they had to be on the road otherwise they essentially had to strip their cars and give their plates back to RMS. Would you be supportive of them having the same flexibility that Uber and other rideshare operators have where, in the case of a global pandemic or an instance where it is probably not ideal for them to be picking up passengers, they can actually withdraw from the market and not be incurring costs and then return once it was, I guess, safe? Would you support them having that same flexibility?

Mr COOPER: Yes. I think the only thing that we look for in a regulatory regime is making sure that the safety procedures reflect the type of work done, but in terms of that question of economic regulation or a requirement to keep putting the car on the road, especially in this unusual set of times of COVID-19, it seems like a very sensible relief opportunity for folks on the road.

The Hon. MARK BANASIAK: Ms Gilmore, you recommended expanding the transport subsidy. What current training do you offer to your drivers regarding picking up disabled passengers and ensuring a quality trip for them?

Ms GILMORE: Every driver that gets access to the Uber app needs to complete a set of mandatory education modules. Those go through a variety of different factors, including how to pick up passengers who might have a disability need, as well as fatigue and other safety-related things. That is our current set of standards. As we have been working with the Victorian Government to be part of their disability subsidy scheme, we also are very open to working through other additional requirements that need to be put in place to be able to appropriately service those customers.

The Hon. MARK BANASIAK: If a driver receives negative reviews, or significant negative reviews, would you put them through a retraining process and make them redo those modules to prove that they are still up to the standard of driving for Uber? I offer the same question to Ola as well.

Ms GILMORE: When it comes to those types of incidents where there is a less than satisfactory experience for someone—any customer, but especially those who might have a disability need or a service animal—we take that very seriously and we do have policies in place. If we receive a complaint that something like that has happened, we provide a warning to the driver and we provide additional education on that topic: on how, for example, service animal refusals are illegal. If we receive a second complaint of that nature against the driver, we do remove their access to the app.

The Hon. MARK BANASIAK: Permanently, or just temporarily?

Ms GILMORE: Permanently in that situation, yes.

Mr SMITH: Insofar as the regulations around taxidriver's having to drive, we would observe that a big part of the appeal for driving on Ola is just the flexibility. There is no commitment; your only commitment actually begins once you accept the trip. After the end of the trip, you are free to go home, switch off, go and get a coffee, go and work for the competition—whatever you like. That, clearly, is a big part of the appeal for drivers. I would hesitate to give any advice as to how that should work for the taxi industry. We have our own training programs. We introduced a special one for COVID hygiene. We expect our drivers, once they are qualified to drive, to fulfil all the obligations. If the customer feedback that we ask for after every ride indicates that a driver is not, we track that very carefully and we will contact those drivers who appear to be not meeting the standards that we expect and counsel them directly and, if necessary, put them through additional training. If that fails, we will remove them, reluctantly. We can suspend them from our platform for a short period and, in the end, reluctantly remove them from the platform.

The Hon. MARK BANASIAK: Does your training include how to deal with disabled passengers or people with impairments?

Mr SMITH: There is legislated training on disability awareness in Queensland, where we do have that. I believe in New South Wales it is optional. We do not have a specific product for differently abled passengers because we view that currently we have a competitive disadvantage, given that our trips do not receive a State subsidy for that.

The Hon. MARK BANASIAK: If that was expanded, would you be looking to introduce those training products?

Mr SMITH: We would look at the business case. But, yes, if we thought that was a good opportunity we absolutely would. We would not put a driver in a circumstance where we expect him to do something and he is not trained for those special skills.

The Hon. DANIEL MOOKHEY: Just to close the loop on that, you would not object to the attachment of a training requirement as a criterion to access those subsidies?

Ms GILMORE: No, we would not.

The Hon. DANIEL MOOKHEY: And neither would Ola? If the public was to require you to provide training to drivers as a condition of you being able to access the public subsidy to provide those services, that would not be a barrier?

Mr SMITH: That seems entirely appropriate.

The Hon. JOHN GRAHAM: On the question about the access to the Victorian scheme, can you give us any other details that would be useful for us to know, as we are considering your recommendation, about the terms on which you now have access or about things that were important to that discussion with the Victorian Government?

The Hon. DANIEL MOOKHEY: And, equally, what has happened in Victoria as a result.

Mr COOPER: We just wrapped a pilot in Geelong and then, obviously, COVID-19 hit so in terms of scaling that up, probably a little bit challenging to tell the story that we would love to be able to tell about that, under the circumstances. I think what might be most helpful is we do have a short summary of the Geelong pilot and we would be happy to share that with the Committee.

The Hon. DANIEL MOOKHEY: I am conscious that we are not asking you lots of questions about labour standards that prevail in rideshare, because there is another upper House inquiry in which, I think, both organisations are respondents in some respect and in which we will have more opportunity to pursue those

questions. But to be reasonable and fair to you, do you have any comments on the bailment system that applies in the taxi industry and its suitability to the application of that in rideshare or a variation of that system in rideshare, given that an argument that the taxi council and others have made is that they are at a competitive disadvantage to rideshare because of the absence of labour regulations in rideshare? That is a summation of their view.

Mr COOPER: We have obviously had the benefit of reading submissions of parties from the chapter 6 part of the industry. One thing that stuck out to us is feedback from drivers, owners and operators all raising concerns with some of the challenges of chapter 6. We do not have first-hand knowledge of that, but I would just make that observation to start with. The second thing I think we would say is that, as Ms Gilmore has already detailed, at the heart of rideshare and what we offer is flexibility. What our customers tell us and what our own research tells us—even the Victorian Government, which has undertaken a significant inquiry into the on-demand economy and, as part of that, looked through a national survey of on-demand platform work, consistently found that people who choose this type of work really want flexibility. It is compared to bailment, of course, which—to use that specific example—is really very wedded to a shift and to an asset that you are renting or leasing. I think that is a long way from what the people who choose Uber want. Those people have voted with their feet for a flexible service offering.

That does not mean, though, that we do not support improvements in the types of protections that can be made available to people who are looking to access flexible work. We have made a submission to that inquiry and I think the core recommendations we have made there are, first of all, that we do think there is a role for the Commonwealth and thinking around what labour regulation would look like. Our preference would not be chapter 6 regulation at a State-based level, but something that answered these questions for Australians nationwide. One of the key recommendations of the Victorian report, which we support, is finding ways to ensure that businesses like ours that want to extend additional protections or benefits to people who use the app are provided safe harbour from reclassification.

There is a consistent finding for our business that people who choose to work with Uber are independent workers, and that is what they want and it is a function of the genuine flexibility to just do the one trip that you have accepted and then you are free to do as you want—as Mr Smith said, even work with the competition. But there is, I think, opportunity to find ways to make it easier for platform businesses to afford additional protections. We have made a few more recommendations to that upper House inquiry. I am mindful of time so I am happy to hand over to Ola, but I am happy to talk through a few more of those now.

The Hon. DANIEL MOOKHEY: We are pursuing it in another inquiry; I am conscious of that. I just thought there was a reasonable right of reply, given some claims that have been made about you this morning. It is reasonable to hear your view on these issues too.

Mr COOPER: I appreciate that. Thank you.

Mr SMITH: From the submissions that I am aware of, both the taxi operators and the taxidriver seem to be appealing to be removed from chapter 6. We would observe the notion of a fixed buy-in for a shift is completely contrary to the flexibility that our drivers are seeking. I understand in some cases there can be a percentage buy-in as well; that is well in excess of the percentage buy-in that we charge. We do, however, welcome the focus on taxidriver income and conditions because, as we would say, we actually believe that our drivers receive a better deal. They appreciate the flexibility and they receive a good income for the work that they do.

The Hon. SAM FARRAWAY: I have a quick question that is probably directed more so to Uber. I live in Bathurst, so I know that it was one of the first regional towns or cities in which you rolled out a regional service of ridesharing. What are some of the learnings in rolling out the ridesharing service in regional centres? We have heard evidence, especially from the Country Taxi Operators Association, about the stability of having a taxi service that is there seven days a week, 365 days a year. Obviously, with rideshare, if the demand is not there the service is not there, full stop, whereas the taxi industry offers a level of service seven days a week, 365 days a year. How has that rollout gone? What are some of the learnings with rideshare in regional areas, compared to a metropolitan area?

Ms GILMORE: The reason that we have expanded our service to every inch of New South Wales is because the reforms to regulations have been so favourable and have made it easy and cost-effective to access this type of work. So we welcome those reforms because they have allowed us to expand our service and provide more transport options to people in those regional centres. In terms of learnings, I think one of the key things that we have taken away is that in these towns the demand is, let us say, more peaky: It is not a consistent hum throughout the day as, perhaps, in a busy city centre like Sydney. In those situations we really lean into educating drivers around when they can expect trips to happen in those areas. It is very event driven and whatnot. What I will say is that because of the flexible nature of the work, we do have drivers accessing the app even in those regional

towns at any time of the day and seeing if there is demand there, regardless of whether it is a Monday morning or a busy Friday night. We try to make sure that we provide a very similar level of reliability and access to transport in regional towns to what we provide in our city centres.

The Hon. SAM FARRAWAY: Would you accept that there needs to be a system in place in general, for the whole industry, in regional centres? In some regional centres the taxi may be the quickest, most efficient source of transport if rideshare is unavailable—let us say on a Monday night when it is really quiet—even in the event of a medical emergency. If the demand was so low that your drivers did not choose to work those hours and if that model was to grow more and more in regional centres, there would not be consistency or reliability of service. Longer term, it is going to be very different in regional centres than it is in Melbourne, Brisbane and Sydney in particular. Do you think that there should be some leniency given to the taxi industry in regional areas because of the service they offer? Then there is some certainty that there is at least a taxi there, seven days a week and 365 days a year, whether there is going to be demand or not.

Ms GILMORE: Yes, and I definitely hear your point. From our perspective, even when demand is low there are people looking for work who are able to provide rides.

The Hon. SAM FARRAWAY: Not in some of these regional centres. I think that is probably unfair. As I said to you earlier, I live in Bathurst. From a personal point of view, I have tested your platform and used it occasionally. I use a lot of taxis as well, just for the declaration. But there have been many instances when you cannot get an Uber in a regional centre like Bathurst for about two or three nights straight, until about a Wednesday or Thursday. If you are talking about a Wagga Wagga or a Tamworth or a Bathurst, they obviously have larger population centres. I notice that you are reaching into some smaller population centres. The smaller the population centre, the more certainty a community needs that the service is going to be there irrespective of whether there is huge demand or not. That is the point I am making.

Ms GILMORE: Yes. I do not know if Mr Cooper has anything to add to this but making sure that we can provide a reliable service even in those smaller centres is top of mind for us. I cannot comment on whether taxis should be made available. They are obviously more than welcome to be available to provide another transport option. We think a lot about how we can continue to provide a good, reliable service to people as we expand into these areas that have lower density.

The Hon. MARK BANASIAK: Thank you very much for coming in and answering our questions. If you have taken anything on notice, the committee secretariat will be in contact with those details and you will have 21 days to reply.

(The witnesses withdrew.)

(Luncheon adjournment)

PAUL LENEHAN, Taxi owner, sworn and examined

PETER LOURIDAS, Taxi owner, sworn and examined

KEVIN COLE, Taxi owner, sworn and examined

STEPHEN HARAPIN, Taxi owner, sworn and examined

The CHAIR: Thank you very much for being here. I would like to begin by inviting you to make a short opening statement.

Mr HARAPIN: We wrote a letter and I have been called to come here. I have nothing much to add to what we wrote in the letter. In two minutes, I cannot say much, can I? But I will say something if I could. In 1956 I came to this wonderful country. I am not going to go from then until age 70 because it will take too long. I worked with a wonderful company and one day the internal union people were mucking about. The company was privately owned and run by two brothers, the Smith family. They were absolutely terrific. I said to my wife, "I will sign a life contract with them." What happened? These people caused problems. The company got fed up with us and put us off. The one condition was that the contractors were not to employ any of us. I was 44 years old and even then it was hard to get this job. I said, "What am I going to do?" Somebody suggested a cement truck. I went to see a bank manager and he talked me out of it, again because of the unions. I said, "What about a taxi?" He said, "No problem. Good investment."

Now, as we are sitting here, is it a good investment? No. I would like to know what happened. I would like to know why the Government that we elect to look after us did that to us. We just lost everything. Coronavirus is on now, but even before that our monthly payments dropped. After corona—first it was \$1.10 a month, then \$1.70, then \$2. The last one was \$25. I said, "Oh, God, things are looking good." As a taxidriver, I have been there for a long time. My wife and I were thinking that I would retire and we would lease the licence to a company. We would go and have a holiday and get out of town, because we work hard. That is all gone. I would like to ask the Government why they did that to us. I would really like to know why. What have we done wrong for them to hurt so many families who bought cabs before Uber came in? What happened there?

Mr COLE: Thanks for having us today. My story is very similar. I did my time early on at BHP looking after high and low voltage switchgear and all of the contractors. My father-in-law had a cab. He was a foundation member of Newcastle Taxis in 1963. I moved into the cab game because I found that I was better off doing things on my own. The responsibility that we had at the time was fairly fluid, where you had to keep everything on the plant going. The taxi seemed to me to be a good outlet. I could do my own thing. I had already bought a house at 19. I moved into the business at 25 after borrowing twice the price of a house at the time. It was never seen to be a guarantee. I remember my father said to me once, "Mate, when taxis are not going well, why would you buy a taxi?" I said that I will make out of it what I will make out of it. Anyway, after 45 years of being in the business, I have served in every position other than general manager at Newcastle Taxis. I have had the honour of being subpoenaed by the ACCC and a few other people as an expert witness. Over all, I have enjoyed the taxi industry immensely. I find now that I am looking at retirement that I am going to have a little bit less than what I thought I would have.

Mr LOURIDAS: Thanks for having me here today. I used to be one of those machine politicians. It took a bloody big fire for me to realise how wrong politics is in this country. Everyone was impressed months ago at the empathy, compassion, consideration and understanding that the Hon. Andrew Constance had for the people of his community. I would never compare the loss of licence values to the loss of life or the loss of homes. But Andrew Constance is a couple of years younger than me. I sometimes wonder if he was a machine politician when in December 2015 he or the ministry accepted every single Sturgess recommendation except the buyback of licences.

Was he a machine politician when he said in 2016 when he introduced the bill that the "hallmark of a fair society is that governments provide reasonable assistance by those affected by regulatory change"? Was he a machine politician this time last year in September when 250 licence holders crammed Parliament to watch the debate that was ended by the Government after half an hour? A lot has changed since then, but this is an ongoing debate; this is not a debate that has just come about through COVID-19, this is a debate that has been going on for a couple of years ever since the regulatory asymmetry has really kicked in, because the reality is they were not regulatory changes, it was a complete disparity of regulations that has just caused an avalanche of ridesharing and has just decimated the taxi industry and licence holders along with that.

Mr LENEHAN: First of all, Madam Chair and members of the House, and fellow taxidrivers, thank you for being here. I have been very humbled and surprised that I was selected to be here. I have spent 60 years

of my life in the taxi industry. I was in a motor business and next door to us was a taxi and we did a lot of their work and it was appealing to me. Anyhow, I had this lady friend, girlfriend, from a little country town called Michelago and we got serious and thought we would get married. We are married now and have been married for nearly 58 years. I decided I would go and get a taxidrivers licence to supplement my income so I could buy a house—which we did—before we were married.

Those days you had to be indentured to somebody. I think no-one in this room would know the history of the taxi industry well. With all respect to you people here, I do not think you have a clue of the industry way back. I can go back to the time when they were going to take all the taxis back at Sydney Town Hall but it was called off, it did not come off. Those days I drove. We got married and I continued driving. I saw my way to buying a plate. I remember my first fare in the cab in 1961; I can remember pulling that meter and going from the Croatia Hotel to Olympia Avenue, Naremburn; I can remember as well as this day, and I thought, "This is for me. This is life for me." So we bought our house on no deposit and bought plate 694 for \$25,000. We worked night and day; the cab was never cold, and we paid that cab off in 29 months.

I did all my own work on the cab. I can remember when things were tough I found a car that had been over a cliff, I got the salvage rights and I went and pulled out the blessed engine and the gearbox and the diff to have for spares. That is how I operated; I had to, I just had to. Then the other business, what happened was the property was worth more than the business so we sold, so I bought a second plate, 2009, which I still own today. When I bought that plate, within three months I was the director of ABC Taxis and I was in that position until we sold to Cabcharge. It was the first time ever that a cooperative was sold to a public-listed company. I had to become a director of Cabcharge for this to happen. I was very much involved. I was an advisory to the government on taxi matters.

The four municipalities we operated in were Mosman, Lane Cove, Willoughby and North Sydney. I was the traffic representative there for taxis for all those years. I did not get on too well with the mayor of North Sydney—the first time I saw her she said, "I don't like taxis". So that made me more determined. I can remember going to a meeting with the then Minister—I do not know if you want the name or not—about they proposed a condition on taxis, which we very much objected to. I went to the Minister, I sat in his office and we came to a compromise, and we shook hands on this compromise, but I never trusted the man; there was something about him. So the next day I go to the press conference and he gets up there and grandstands himself and says, "After much consultation with the taxi industry we have decided on this." It was exactly what we opposed. So I said, "Minister"—he saw me there—and I said, "That's not true." I went to the podium, right up to him, almost toe to toe to him, and I said, "That is incorrect." I said, "You're nothing but a tall streak of misery", and I walked out. The next day it was rescinded.

I am not frightened when I know I am in the right, not a bit. All my life I got up every morning for years and washed two taxis and I drove one and many a time I came home and put a water pump in or I put a universal joint in during the day. I had a workshop. In those days taxis were not allowed to be parked on the street. I have a six-car garage at home and a workshop where I used to do all my own maintenance on my own taxis. My nickname at ABC was "mother" because I was an old sheila with cars. My cars were actually immaculate. I drove that car with a white shirt, a collar and tie, and every customer I gave a Minty and a card, and I did very well. I did promos for ABC, I did film work and my cars were absolutely immaculate. Now I sold 694 just before this happened for \$360,000 in my pocket; 2009, I got \$1 for it. The lease payment came to \$1 where before all this my lease payment was \$2,300 a month.

The CHAIR: When did you sell the second plate?

Mr LENEHAN: I did not, I still have it.

The Hon. JOHN GRAHAM: He leased it.

The CHAIR: You leased it, I see.

Mr LENEHAN: I leased it. With all respect, you people do not understand the industry.

The CHAIR: When did you lease it?

Mr LENEHAN: When I got ill in 2000. I had heart problems and I could not drive. My driving record is unblemished. I have never had an accident. The only accident I ever had driving a cab was when I was stationary. Every two years I did driving courses and I never had a fine, a conviction of anything at all in all those periods of years, and I am absolutely ropeable of what you have done to my life and our life. We are on the bones of our backside. When I went on the pension I had no idea that I wanted to get a pension—that was the furthest thing from my mind; to me, that was disgusting, but I had to go on the pension. I played by the rules, but I am afraid others did not and I am suffering very much for it. I should think that you should buy back my plate. Thank you.

The CHAIR: I am going to stop you there. Thank you all very much for those opening statements. Just to clarify, we are a committee made up of non-government and government members. I am certainly not a government member. We will start questioning with the Hon. Mark Banasiak, who is also not a government member.

The Hon. MARK BANASIAK: Thank you for that clarification, Chair. Thank you for coming. I just wanted to get a sense of where you were at financially before Uber in terms of your plate value and to where you are now, just so the Committee can get a sense of how much of an impact Uber coming in and rideshare coming into the market has impacted your livelihood, as well as, obviously, how the regulation of their arrival has impacted your livelihood. We will start with you, Mr Harapin, if you would like?

Mr COLE: The impact on the price of your taxi since Uber came in, what values they have changed.

Mr HARAPIN: Well, my taxi was worth \$420,000 before Uber came in. It is worth now—I do not even know. I am scared to find out. Somebody said \$80,000.

Mr LENEHAN: One was sold for \$60,000 last week.

Mr HARAPIN: There you go. So I personally ask the Government to help us out. Most of us are in trouble.

The Hon. MARK BANASIAK: Mr Cole, can you give us an—

Mr COLE: In Newcastle, and I will go off what the Government has indicated, roughly \$220,000. There were a couple of plates where they paid \$250,000 for them in 2015. I think there have been a couple sold for \$30,000 and there was a rumour that one might have been sold for \$10,000. The lease values are accordingly. They have gone from \$400 in, say, 2014-15, to \$10 maybe a week. I think in some areas they are paying \$1.10 or something per week to hold the plate on the road.

The Hon. MARK BANASIAK: Was that before COVID?

Mr COLE: Before COVID the leases would have been around \$150. I am attached to 13cabs, if I can mention their name.

The Hon. MARK BANASIAK: Yes, that is fine.

Mr COLE: They had arrangements with a certain amount of operators for I think \$150 a week and since COVID they have pooled all the funds and averaged out—the average I think some of the operators were getting \$1 a week for their plate prices. So COVID has certainly dropped. I always thought a contract was a contract but obviously it does not mean a thing. Roughly speaking there has been maybe a \$200,000 loss in plate price and maybe anything up to \$370 in lease fees in that period, 2015-2020.

The Hon. MARK BANASIAK: Mr Louridas, anything to add?

Mr LOURIDAS: I would say that the issue of buyback—and when we were at Parliament last year, this was all pre-COVID, the petition that was out there that was signed by about 12,000 or 14,000 people—a proper petition, mind you; not an online petition—actually physical signatures on a piece of paper with 12,000 or 14,000 people. So this all started and then we got the debate in Parliament and then the subsequent inquiries here and the previous inquiry from point to point. So I would say that this time last year the plate values were around the \$110,000 mark.

To be fair, in that after the legalisation of Uber until just prior to the legislation being passed, plate values did hold because the legislation took a while to kick in and the real effects of it took a while before the avalanche started around between 2017-2018. And then towards the end of 2018 it was clear that something had to change because the regulations, whilst they may have been well-thought at the time, clearly did not create that parity that they were intending to, or at least I would give them some credit. I think they were trying to create some sort of parity but it clearly has not worked. It has just gone simply too far the other way.

If there is no appetite to bring up rideshare regulations, whether it be defensive driving courses because they do tend to make last-second decisions because there is a couple of seconds' gap between the GPS working and them making their decisions, whether it is security cameras, because the reality is that a security camera is the only thing that is going to provide evidence of guilt or innocence for the protection of rideshare drivers and their customers. I would also think that to have some basic knowledge of Sydney roads. And when I saw this morning about their hope to use bus lanes, well, if that was going to happen they would need to have some sort of major visibility on their vehicles if they had any intention of ever using a bus lane because it would just create havoc for buses, motorcyclists and taxidriviers. Once the legislation and the regulatory changes really kicked in, it was a

slow decline up until the middle of last year and obviously now. I think one traded a couple of weeks ago for about \$55,000. That was my understanding anyway.

The Hon. MARK BANASIAK: Any comments from you, Mr Lenehan, in terms of plate value?

Mr LENEHAN: Yes. Plate value was orchestrated by the Government. You seem to have interest in investors. You people brought investors into the industry. I have here "a licence to make money". You people have auctioned plates. You got nearly \$3 million for them. I could be corrected. I have the figures. This was at an auction where you sold plates. And you said, "A licence to make money." What have you done? You take the money away from them. You have created this. Furthermore, when the taxis had it, you had to own it and drive it yourself and no investors. Again, I repeat, you have no idea of the history—what happened way back and how everything has developed. If you became ill, you could lease your plate out. As long as you were still able to do it, you could not lease it—until you were unable to drive, then it was leased out. Not now. You sold it to investors. The day we got away from the owner-driver is the day the service ceased.

Mr LOURIDAS: Can I just clarify? Speaking to a lot of taxi owners and particularly those who operated taxis for a very long time, they did take a lot of exception to the Sturgess report. The Sturgess report was a little bit self-serving. I think he made out that 80 per cent of people were absentee landlords, so to speak—that here they are, they are investing. But the reality is that people like Mr Lenehan became investors due to their age. They contributed to the industry. My father is in the same boat—and plenty of relatives of mine who contributed to the industry and retired, whether through ill health or simply getting old and wanting to retire and thinking that they had some sort of security to retire to.

A lot of people took exception to the Sturgess report because the Sturgess report implied that most of the people are investors and, by the way, they have probably realised the value of their investment now. And if they can demonstrate some sort of need we will give them some sort of additional assistance. And if you cannot demonstrate the need for assistance, well, too bad. We are not going to buy you out anyway because we do not have to. And that was quite clear in the Transport for NSW submission to this inquiry where they said the additional assistance was not a compensation scheme. This was purely to help people with the transition with regulatory changes. But clearly it has not been a transition; it has been a decimation of the industry. It has brought the industry to its needs because of the massive disparity. Again, I keep using that term but it cannot be stressed enough as to the unwillingness of the Government to enforce some sort of regulations upon ridesharing. It has created this situation. And again I go back to it: This was happening prior to COVID-19.

The Hon. MARK BANASIAK: To touch on the idea of a buyback, and that was a principal component of the petition from last year, at what point in the market are we basing the value of that buyback on? At what point do you want that buyback to be based on? Do you want it pre-2015 Uber?

Mr LOURIDAS: Well, that is for others to decide.

The Hon. MARK BANASIAK: Well, we are here—

Mr LOURIDAS: That is for others to decide. I am quite pragmatic. Mr Lenehan has held up signs, which I have too, about auction licences and you know. I respect the fact that you asked the question but the fact of the matter is, irrespective of whether people are investors or not—and let me tell you, plenty of economists over years, whether it be Mr Sturgess or prior to him we have had organisations like the IPART, Peter Abelson did reviews in the taxi industry. But the reality is that the Government created this artificial form of property.

Whilst it is important to recognise the contributions of people who were in the industry for a long time, the Government changed the rules. The Government created this artificial form of property. They traded. They issued licences. They accepted stamp duty on these licences. People saved for many years. It was a source of pride for people to own taxi licences, with an expectation that rules would be applied and they would be followed by the owners of these plates, whether they were operating or whether they were investing. And even if the market was artificial, they paid real money for these plates. And obviously since then the Government has changed the rules.

Whether I believe it should happen, I do not expect for one minute that people are going to be bought back or compensated. And there will be people out there—friends of mine—who are probably going to roll their eyes but I do not expect for one minute, if there is going to be a buyback, that we will be anywhere near \$425,000. I am quite pragmatic about that and I would like to think most people are. But that is why I was not trying to dodge the question; I was merely saying that, whether you were an investor or not and whether it was artificial or not, rules were followed—regardless of whether it was pre the time of investors, as Mr Lenehan pointed out, or whether it was after that time. But in terms of my expectation, I would not expect if there was a buyback that it would be anywhere near \$425,000 because I guess there is an argument to say that plate values would never have hit \$425,000 had investors not been led into the marketplace in the first place.

Mr LENEHAN: Hear, hear. I agree with that.

The Hon. MARK BANASIAK: I was just seeking clarity as to where you think that buyback point should be. It was not to assume that it should be \$420,000 but just to get a sense of where you think the mark should be.

Mr COLE: Can I answer that one?

The Hon. MARK BANASIAK: Yes, sure.

Mr COLE: It is a related matter but I have just got a payout of all taxi licence holders, an average of 2015 prices plus CPI or original price plus CPI, equal to a hire car licence payment formula. So if you adopt the same formula that you use for the hire cars I think the industry would probably be quite happy.

The Hon. MARK BANASIAK: Okay.

Mr LENEHAN: If I may, on the buyback, you have got the poor beggars who paid \$400,000 for them as investors and put it into lease for getting their \$2,300 a month. The money they used for that came from super, from all sorts of things—family trusts. They should be thought different. The blokes like me who bought one cab without a cent deposit, worked my guts out driving it, I got sold for \$25,000 after many years. I sold it for 360 in my pocket. The other one I paid 150 for. I have lived off that plate right up until six to eight months ago. I think I should be treated a little bit differently because of the hard-earned money and blood, sweat and bloody tears to get that going. I can remember the time I had my first accident—the first time a driver wrote the car off. Here is me, mortgaged to the hilt, kids' school fees to go, and they have written the car off. I had to go through all those agonies, whereas the investor—no.

The Hon. MARK BANASIAK: I recognise that some taxidrivers have spoken to me that they see it almost like a superannuation, a retirement fund.

Mr LENEHAN: Yes.

The Hon. MARK BANASIAK: I appreciate that.

Mr LENEHAN: When you put things like this, licence to—you know.

The Hon. MARK BANASIAK: Can we go to the hardship payment or the transition payment.

Mr LENEHAN: Yes. I would like to make a comment on that, if I may.

The Hon. MARK BANASIAK: Did you all attempt to access that hardship payment and, if you did, how did you find the process? Because we have heard commentary that it was almost impossible and ridiculous to—

Mr LENEHAN: A debacle, it was.

Mr COLE: Can I comment first?

The Hon. MARK BANASIAK: Yes, feel free.

Mr COLE: I have got the industrial assistance package at 4,100 applicants. They sent the letters out to 4,100. Only 1,258 responded and 531 were successful, which reflects a 14 per cent success rate. If I was running a course and only 14 per cent of my class passed, I would be asking questions and I think they should have been asked on this. Why it is a bit prickly for me is because I had just gone through a point most people are off to the pension. I was at pension age and I had just spent eight months and 180 pages applying for the pension. The fact I have a company, I had my wife working, a cab working, and obviously it was something they could not understand.

Between the loss of data, between hang-ups, between people transferring and getting a different person on the line it was a process. I am going back through that process again because I got 12 months off. So out of that \$100,000 that I was awarded I get \$33,549 per year. Out of that \$33,549 we lost \$17,500 straight away from what we would have been awarded on the pension. By the time we took tax out of it, by the time we took running costs, the actual net gain for the first payment was \$6,000. The only benefactors out of all this system is really the tax office and the Government. What I am saying is that it sounded good but if you have got only 14 per cent of people getting paid out, what good is it at all? Why did they not just divided the whole lot up between the 4,100 and send a cheque out? It would have made me feel better because I ended up feeling like a leper. Because people far more deserving than I got nothing, absolutely nothing, and I had friends who were threatening self-harm over it.

Mr LENEHAN: I got the \$20,000. Getting this compensation for \$20,000, when it came to the nitty-gritty they called it a grant. You cannot tell me that the Federal and State government are not in cahoots. I had to pay \$2,700 tax on that \$20,000. That went to the Federal Government. You cannot tell me that the State Government and the Federal Government, look, we will call this a grant and you will get the taxation. What will you give us back? It is so misleading, ending up calling it a grant. Then I got the hardship. Thank God I still stayed with the Taxi Council. My cab was with 13cabs and they pulled out of the Taxi Council. I had no representation. For \$260 a year, tax deductible, I paid my fees to the Taxi Council.

~ break

TURN 24

You were already paying them before with your radio fees. Thank God they supplied me with someone. They gave me this gentleman who did my application for me free of charge through the Taxi Council. I was accepted. It was \$63,000 over three years. You had the choice of having one lump sum or in three financial years. I took the three financial years. I was going to do fifty-fifty but my financial advisor said "It will not affect your pension, but do it that way".

At the start it was 9 months before you got your money. They stuffed around and stuffed around, and the last thing was that you would be paid in June of that year—a third of \$2,100 and whatever it is—and the following July the other third, and the next financial year the other third. When did I get my compensation? Bloody quarter to 11 on 1 July. Now you tell me where the fairness of that is. I was paid on 1 July, so therefore I missed out on one financial year's payment. No wonder this place is going bad. I could not run a business like that. That is actually disgusting. Quarter to 11 on the first of July I was accepted, so therefore I missed out the previous payment. You have a good look at that, but I tell you what it was absolutely disgusting.

The Hon. MARK BANASIAK: I am shaking my head in disgust.

Mr LENEHAN: That is what happened to me. I will give you evidence. I will give you any bloody thing you like—emails. That is what they did to me.

Mr LOURIDAS: I assisted three taxi owners with their submissions for additional assistance and it was extremely stressful for everyone involved. It was not only that, it was just about asking all details—personal and financial. The ability to show your hardship was very difficult for a lot of people.

Mr LENEHAN: People are proud.

Mr LOURIDAS: I knew a taxidriver who was driving, whose health was good at the time. He was still operating and driving his own taxi. He only owned his taxi and the house that he lived in, but because he was still driving his own taxi he could not show that the regulatory changes had affected him, so he did not get a cent. The other thing I would say that was wrong—apart from the fact that, yes, people did lose their pensions for a year and then had to reapply. That was one.

I think the other issue that is forgotten is that it virtually excluded young people—young taxi owners—from this whole process of the additional assistance. Most of the people I know who are under 50 and own plates or own taxis have come into the industry through their parents, through relatives or through other friends, and usually their parents would have been immigrants, whether it was Greek, Lebanese or Italian immigrants. These people have come here and worked hard, however, because of the income not only were there asset thresholds there were income thresholds as well with the additional assistance that virtually—I do not know the numbers but I know of four people under 50 who applied for additional assistance and did not get a cent out of it. I know someone who had bought a plate who had an encumbered home, and decided to buy a plate against the value of their property in order to reduce taxation liability, again, did not get a cent out of it.

I do not think it was fair. I think that if there is going to be no lifting of regulations for ridesharing, the buyback is important for not only people like Mr Lenehan but for people who received no additional assistance at all, because there are plenty of taxi owners out there who are under 50 and most of them are second-generation financially decimated because of the fact that they have brought through a relative or a friend. You could look at any register from Transport for NSW and you will see many names replicated.

The Hon. JOHN GRAHAM: They would have said to many of those friends or family the same thing that you have put today that this is a good investment. They would have recommended that decision to friends and family.

Mr LOURIDAS: Absolutely. I know of one person who I reckon introduced at least three or four people to taxi ownership—

The Hon. JOHN GRAHAM: In good faith.

Mr LOURIDAS: In good faith to his eternal, almost, embarrassment or shame. I came across someone a couple of months ago who said "I am a complete mug. I am ashamed of myself". Again, harking back to the Sturgess report, it very clearly states that there is no legal basis for compensation.

The Hon. JOHN GRAHAM: Thank you for all of the details you have shared about your personal circumstances in your submissions, letters and in what you have said today. We have got the Government submission talking about what is going on across the industry, but, really, these are some pretty powerful stories—what is actually happening on the ground in these individual cases. I know it is not easy to share those things.

Mr LOURIDAS: No.

The Hon. JOHN GRAHAM: So, up-front I thank you for that.

Mr LOURIDAS: Alright. Could I just—

The Hon. JOHN GRAHAM: I want to ask you this and I think this is where you are heading. What happens if there is not a buyback? This is very bad, but it could get worse under those circumstances.

Mr LOURIDAS: Going back to the point—and I think you knew I was about to start it—people say that there is no legal basis for compensation and that you took a sovereign risk. However, my taxi licence and all of the taxi licences around here—there is a symbol of trust there. New South Wales Government logos all over my taxi licences.

The Hon. JOHN GRAHAM: I accept that. I think you have really made that point strongly. If the Government continues to say no to the idea of a buyback—things are very bad, including after COVID—where does that leave people?

Mr LOURIDAS: First of all, I would suggest that the passenger service levy were to continue for an indefinite period or at least a minimum of 10 years until they get to a point where plates are able to be brought back, and if they are not—to address your question—we certainly cannot maintain the status quo. There can only be one option and that is to go back to my first point about having some sort of symmetry of regulations, and it certainly would not be the ability of ridesharing to use bus lanes. That is actually farcical. They would need to get some sort of lifting because at the moment it is just a race to the bottom.

The Hon. JOHN GRAHAM: I guess my question is more: What happens to the people in the situations you are describing—the owners you are talking to and the drivers you are dealing with?

Mr LOURIDAS: That is why I would hope that if you were to have—I know in other parts of the world they have capped numbers on ridesharing. We were one of the first countries—apart from the USA—to legalise ridesharing. Whether or not we jumped the gun before other countries, and other jurisdictions as well within Australia, that is probably true. We have not imposed enough regulations on them in order to make it attractive for people to operate taxis. How is it attractive for someone to operate a taxi at the moment when there are very few hurdles to jump in terms of regulations?

Mr LENEHAN: Especially young people.

Mr LOURIDAS: You have to remember that regulation costs money. Safety costs money. There are illegal childcare centres strewn around Sydney to take care of the fact that child care can be expensive. Regulation is safety. Regulation costs money. It is a very good, airy-fairy model that we have adopted here, but they just simply need to do more in order to lift their regulations. They do not have clear signage, they are not particularly good drivers, but I accept that because of the avalanche that has been created they do provide a fast service. I have seen that firsthand.

The Hon. MARK BANASIAK: Can you expand more on the parity and what you think needs to happen in terms of that parity? Obviously, you do not want them in bus lanes, and you have touched on signage and defensive driver training. What else needs to happen if we are going to re-regulate to get that symmetry and to get that parity?

Mr LOURIDAS: Again, going back, I think I made the point earlier about having fixed cameras as well. Back in the days when I was operating my taxi, cameras were \$2,500 to put in the taxi. Now they are a couple of hundred dollars—you can get a really good camera in there. I am not talking major hurdles. You could do a defensive driver course over one day. You could do a basic road knowledge test online. You could, for a few hundred dollars, put a camera in your car. These are not, I would think, major hurdles. Whether you want to cap them or not—maybe you do not even need to cap them because those few regulations and those few hurdles put in front of them will take care of itself in terms of bringing numbers back. By doing that, you are imposing a little bit more of an expense and an effort that is not there at the moment. At the moment, it is just far too easy to put a rideshare vehicle on the road.

Mr LENEHAN: May I make a comment? I think \$7,000 was the figure for insurance for a taxi. I know of a case where this fellow had a cab and he leased that and thought he would do a bit of Uber work. He went to the NRMA to insure it and they said, "This is for rideshare? Doesn't matter." He paid the same insurance as an ordinary person, whereas the taxi industry was 10 times the amount. Tell me where the level playing field is. Why should rideshare have all these privileges that the taxi industry does not have? We pay for it. It is just not feasible. It is not fair. It is not a level playing field. I think that the taxi industry has a bit to answer for too; do not worry about that. I am a bit critical of the taxi industry. One thing I remember well is that when we went to uniforms, I wanted a white shirt. Well, was I howled down! Taxidriver in a white shirt? We got it. I proved to them that a white shirt—I used to have my white shirt with cufflinks, laundered, and tie. I gave Minties. In ABC we really prided ourselves on our drivers in white shirts.

I had plans to do things and I was laughed at. Like a silver service, they laughed at me, "You can't do this!" I bloody well did it. Taxis Combined did it, but that fell by the wayside. There was no innovation. Another thing about the Australian taxi industry is they were the world leaders in two-way radio communication. Cabcharge put millions of dollars into radio communication and meters. Cabcharge put a lot of money into the industry. There are seven deadly sins: greed, gluttony, sloth, envy—it was greed, greed, greed. They got the 10 per cent. I did not think that was fair but, anyhow, that got sold. But the industry itself has put so much into it. Ask me what the rideshare people are putting into it: Nilch! I was involved in it for 60 bloody years. I am upset at what is happening. The taxi industry put a lot of money back into the industry. People would agree with me there: They put in a lot of money, especially the two-way radios and meters.

The Hon. MARK BANASIAK: Just on the insurance issue, because that has come up previously—

Mr LENEHAN: What have you done about it? Answer the question: What have you done about it?

The Hon. MARK BANASIAK: I am not a Government member to do something about it.

Mr LENEHAN: No, what have you done about it? Zilch! Sorry.

The Hon. MARK BANASIAK: My question is what would you like to see done about it?

Mr LENEHAN: A level playing field.

The Hon. MARK BANASIAK: Would you like to see rideshare risen to that mark?

Mr LENEHAN: Yes.

The Hon. MARK BANASIAK: Or some sort of levelling?

Mr LENEHAN: No, do not drop the taxis down. No way.

The Hon. MARK BANASIAK: No drop? That is what I wanted to—

Mr LENEHAN: That is the benchmark.

The Hon. MARK BANASIAK: That is what I wanted to—

Mr LENEHAN: Do not drop the taxis down, for God's sake.

Mr LOURIDAS: I agree with that.

Mr LENEHAN: If you give a taxidriver an inch, he will take a mile. If you want to get a scheme, get a taxidriver; he will sort it out. But you keep the taxi industry up. What you have done is created more vehicles on the road for the same market. The market has not improved or increased; the market stayed the same. But now you have so many people in the market, you are crucifying them. Uber pick and choose. I am sorry, I will not use Uber; I think it is wrong. The rideshare pick and choose. They cherrypick. Taxis are the only transport industry in this State that works 24/7. No other industry in this State works 24/7 in transport. You name me one; you cannot find one. We provide 24/7 transport. You can ring up for a cab at 3 o'clock in the morning and you can get a cab. I do not know about the other people; I have no idea.

I remember when 24-hour came in, well and truly. In the sixties we at ABC created 24-hour service—the first to do it. They are all doing it now. I have got purple and white blood in me. Our purple bonnet—we were the biggest users of the toll on the harbour bridge. You drive in town, go down Carrington Street and they do this—over the bridge. You would see the purple bonnet, over the bridge. The other blokes did not go across the bridge. No. We had a lovely little network, but it got to the stage that we could not survive on the number of cars with the costs of radio and stuff. So we were invited by Reg Kermode—a thorough gentleman. There is the beautiful Waterman pen he gave me with my name on it as a gift. He was my mentor. He was so fair dinkum. You would like him, he was so fair dinkum. We were invited to join their network, which we did in what we call a bureau system. We joined the bureau system and so, therefore, we did not have the radio room costs. We joined

them and we shared the radio and we had all the privileges of our own. We had special privileges and we worked that way.

That is how it happened. I would really like you people to go and do a bit of history and a bit of investigation into what the taxi industry is all about and what we have done and what we have not done. I watched the last interview and I was rather disgusted at some of the questions that the men asked. I said, "You're a lazy lot. You haven't done any research." Some of those fellows at the last thing asked questions that I thought, "They're childish." You ask questions and none of them had done any research. A couple had, but one bloke in particular asked silly questions with no research. I really think you should go back and study the industry. By Christ, I could tell you a bit about it, after 60 years of it. That is my life. My life is destroyed, financially.

Mr COLE: Can I just go back to the Green Slip, to solve that problem? At the moment rideshare, I believe, pay an engaged kilometre rate of 10c per kilometre. If you raise that to 20c per paid kilometre, taxis pay for every kilometre they do. I would think that that may help with the payment system for the Green Slip. At the moment the base rate for a metropolitan taxi is 5,400, even though in the Government's submission it is stated that the average was about 3,300. Maybe it is. I do a paid kilometre rate because I am the only one driving my taxi. At the moment it is going to cost me \$600 a year from the fact that the Government has already paid \$2,900. I just got a cheque, I think, yesterday for \$1,334 for unused kilometres. I had a cheque for \$354 before that.

At the moment it looks like my green slip costs will be in the vicinity of \$600. It is up to the individual. I can only do it on the low kilometres because I own everything. I have worked for 52 years and been very frugal with what I do financially. I have put myself in a position where if this did ever happen to the taxi then I would still survive, one way or another. I have to make that decision at Christmas: what do I do with the taxi? Do I put it on the shelf, do I try to lease it or do I just forget about it completely?

The CHAIR: Thank you so much for coming and for your very detailed submissions and heartfelt testimony today.

Mr LENEHAN: May I quickly say just one word? My introduction to the Committee was excellent. I do not know if Shaza is here or not but she is worth more money. She will not get it but her communication with me, the way she helped me—Shaza, thank you. How you operate is very commendable.

The CHAIR: Thank you. That is very good to hear.

(The witnesses withdrew.)

CHARLIE HEUSTON, Executive Director, Employee Relations, Department of Premier and Cabinet, affirmed and examined

KATE FOY, Deputy Secretary, Community Engagement, Department of Premier and Cabinet, affirmed and examined

ANTHONY WING, Point to Point Transport Commissioner, sworn and examined

JOOST DE KOCK, Deputy Secretary, Customer Strategy and Technology, Transport for NSW, affirmed and examined

The CHAIR: I now welcome our next witnesses. I would like to begin by giving you the opportunity to give a short opening statement if any of you would like to do that.

Dr DE KOCK: Thank you, Madam Chair. Transport for NSW welcomes the opportunity to support this inquiry today. I am the deputy secretary, customer strategy and technology at Transport for NSW and I oversee the point to point transport policy. I am relatively new to this role so I will do my best to assist the Committee today but I might need to take some questions on notice. The point to point transport industry is still adjusting to a significant reform process that began in mid-2015. The 2015 reforms have delivered a reduction in red tape and introduced clear accountabilities that make the industry responsible for the safety and services they provide. The New South Wales Government has also created a Point to Point Transport Commissioner. Our customer satisfaction index shows that point to point transport customers are now more satisfied than they have ever been. To support the industry, the New South Wales Government has established a \$250 million package to assist in adjusting to the new regulatory framework.

Transport for NSW has responsibility for certain aspects of economic regulation such as the annual determination of the number of taxi licences to be issued. Transport for NSW also administers a range of incentives and subsidies that support accessible point to point transport services. 2020 has been a very challenging year for many industries, especially with COVID-19. To support the point to point transport industry, we have worked with New South Wales Treasury on a \$12.6 million stimulus package to assist with operating costs. Other government agencies—some of which are represented here today—have responsibility for other requirements that apply to the point to point transport sector such as compulsory third party insurance, collection of the passenger service levy and bailment arrangements. I also draw the Committee's attention to the Point to Point Transport Independent Review, which was announced by the Minister for Transport and Roads in October 2019.

The review commenced in March 2020 with the appointment of Ms Sue Baker-Finch as the independent reviewer. It is considering three things: whether there is a need for any further assistance to industry participants, particularly those in regional areas; whether there is the need for further structural adjustment to ensure the long-term viability of the sector and to realise positive customer outcomes; and whether there are regional communities at risk of losing point to point transport services and if so what can be done to address the transport needs for those communities, in particular in relation to wheelchair-accessible services. Ms Baker-Finch consulted very broadly with industry participants, other businesses, local governments, community organisations and representatives of passengers including those with disabilities. The consultations have concluded and the Government is considering its response to the review. I very much look forward to taking your questions today in regards to the point to point policy. I will hand over to Mr Wing to make some remarks about the role of the Point to Point Commissioner.

Mr WING: Thank you to the Committee for inviting me to attend. I was appointed Point to Point Transport Commissioner on 1 July 2019. As the safety regulator for the point to point industry, I am responsible for the administration of the Point to Point Transport (Taxis and Hire Vehicles) Act. That includes the authorisation of service providers, issuing taxi licences, managing enforcement and making recommendations to ensure passenger and driver safety in New South Wales. I ensure the point to point transport industry complies with the law through education and enforcement. I provide services for industry participants and information for passengers, government agencies and the general public.

The 2019-20 financial year has brought us bushfires, floods and now the COVID-19 pandemic. I am proud of my team's efforts to support industry and ease pressure on service providers to ensure safe point to point transport services remain available, especially for essential workers and vulnerable people. Throughout the pandemic we have maintained a strong focus on health and safety, working with our New South Wales Government partner agencies and industry to roll out measures to enhance driver and passenger safety. We have also worked with New South Wales Treasury and other agencies to develop and implement the New South Wales Government's \$12.6 million support package for the taxi industry, to provide operators with some financial relief during the COVID-19 outbreak and help taxis remain on the road. At the same time as all of the measures that we

have had to take around these unusual times, we have continued with our regular work to ensure safer point to point transport throughout New South Wales via compliance and education.

During 2019-20, my compliance officers carried out regular activities including 63 safety audits of service providers, 289 advisory visits for service providers, 33 audits of the passenger service levy returns of service providers and 1,486 hire vehicle and taxi compliance checks across metropolitan and regional New South Wales. As well as carrying out covert and overt compliance activity, authorised officers issued 300 improvement notices and 31 prohibition notices. 1,627 penalty infringements were issued by commission officers and NSW Police Force for individual breaches of the point to point transport law. Furthermore, in 2019-20 we commenced prosecuting people for breaches of the law as part of our crackdown on touting and soliciting at Sydney Airport.

For this year, the 2020-21 financial year, we have identified key areas of focus based on what we have been seeing in our audit and oversight program. Our focus priorities this year are, one, driver on-boarding by service providers; two, safety management systems; three, preventative vehicle maintenance; and, four, illegal and unsafe driver behaviour. In addition, public health, which was not on the list until six months ago, will remain a key focus area. With that said, I welcome this chance to have a discussion with the Committee and to answer any questions. Thank you, Madam Chair.

The CHAIR: Thank you very much. I think we will open with questions from the Opposition.

The Hon. DANIEL MOOKHEY: Were Ms Foy or Mr Heuston planning to make opening statements?

The CHAIR: I am sorry.

Ms FOY: No, not at all. I was not proposing an opening statement other than to say our appearance here and our area of input is largely around the Industrial Relations Act and the bailment arrangements under the Act. So we provide a level of subject matter expertise, if you like, in support of our transport colleagues.

The CHAIR: Mr Heuston, did you have anything you wanted to say?

Mr HEUSTON: No, nothing further.

The CHAIR: I remind Committee members that we have the opportunity to ask Mr Wing questions in a separate session after this.

The Hon. DANIEL MOOKHEY: Thank you all for your appearance. It is nice to see you all in the current circumstances. Can I start by picking up on some issues that arose earlier this morning on which we would like to get a bit more information, starting with the disbursement of the hardship funds and the \$250 million package. I think we have explored some of this before in budget estimates, Mr Wing, I am sure you would recall. Can we get an update as to the money set aside for hardship under the original package, which I think was \$142 million, is that correct?

Mr WING: I think Dr De Kock will have to answer these questions. Transport for NSW has been administering those funds.

The Hon. DANIEL MOOKHEY: Sure. Dr De Kock?

Dr DE KOCK: I am happy to answer those questions. Yes, prior to the 2015 reforms there was a package of \$250 million to provide assistance to the industry as it had to deal with the changes in regulation, and that included up to \$98 million for the transitional assistance payments, \$10 million for the additional assistance of hire vehicle payments, and then there was \$142 million earmarked for an additional assistance payment scheme to help industry participants who have been detrimentally impacted as a result of the point to point reforms.

The Hon. DANIEL MOOKHEY: Of the \$142 million how much has been disbursed to date?

Dr DE KOCK: To date we have been able to help those individuals who were detrimentally impacted by the reforms to the total tune of \$42 million and we actually received 1,258 applications of which payments were made to 531 individuals.

The Hon. DANIEL MOOKHEY: So the fund is closed? The applications are closed?

Dr DE KOCK: The applications for those three particular assistance packages have now closed, yes.

The Hon. JOHN GRAHAM: When did they close for that last fund, for the additional assistance?

Dr DE KOCK: I will have to take that on notice. I do not have the exact date for that.

The Hon. DANIEL MOOKHEY: And how much has been collected to date in the passenger service levy?

Dr DE KOCK: To fund that \$250 million assistance package, the passenger service levy was introduced, which basically collects \$1 per trip plus GST to provide the support for the industry as it goes through its reforms. To date, as at 30 June 2020, \$158 million has been collected.

The Hon. DANIEL MOOKHEY: And the levy continues, does it not?

Dr DE KOCK: The levy is continuing on until \$250 million is collected.

The Hon. JOHN GRAHAM: And what is your projection for how much you will collect in this financial year?

Dr DE KOCK: In this coming financial year?

The Hon. JOHN GRAHAM: Yes.

Dr DE KOCK: Normally we would collect about \$5 million per month but, given COVID-19, it is a little bit uncertain how much we will collect.

The Hon. JOHN GRAHAM: What is your projection?

Dr DE KOCK: Our projection is that we will collect the full \$250 million about the middle of 2022.

The Hon. JOHN GRAHAM: And what is your projection for this financial year?

Dr DE KOCK: Probably, as I said, \$5 million per month; so we will collect maybe around to the tune of \$50 million, \$60 million per year. But, as I mentioned before, it is highly uncertain in the current circumstances.

The Hon. JOHN GRAHAM: Understood.

The Hon. SCOTT FARLOW: Just on that point, have you got any information with respect to the COVID period and what you are collecting on a monthly basis so far?

Dr DE KOCK: As I say, we would normally collect about \$5 million per month, but I would have to take the exact details of what we have actually collected each month for the last six months during this COVID period on notice—unless Mr Wing has further details on the moneys that are collected.

Mr WING: I think we would have to seek further information from Revenue NSW.

The Hon. DANIEL MOOKHEY: So \$42 million of the \$142 million has been disbursed and that is closed. The \$98 million, that has all been disbursed, has it not?

Dr DE KOCK: The \$98 million that was for the transitional assistance payments and we have successfully disbursed the majority of that. Actually from the \$98 million we disbursed \$94.2 million.

The Hon. DANIEL MOOKHEY: That was the \$20,000 payment, was it not?

Dr DE KOCK: That is correct. It was a payment for eligible licence holders for \$20,000 per licence up to two licences and we made payments to 4,058 people.

The Hon. DANIEL MOOKHEY: So \$94.2 million you have disbursed and then there is the additional \$10 million, which was for the re-acquisition of a certain class of licence in the hire portion of the industry, was it not?

Dr DE KOCK: Yes, that is correct. The second payment was the additional assistance for hire vehicles; that was vehicles that had the HC plates. Originally there was \$10 million earmarked for that scheme and we paid out \$8.3 million to 99 individuals for 150 licences.

The Hon. DANIEL MOOKHEY: So if you are saying that all forms of assistance have closed, are you contemplating any additional assistance right now or are you waiting for the Baker-Finch report to complete?

Dr DE KOCK: At the moment we have collected, as I mentioned before, to June about \$158 million. We have made total payments of \$145 million. As I mentioned in my opening statement, Ms Sue Baker-Finch has just completed her report into the point to point industry and that report now is with the Government for consideration.

The Hon. DANIEL MOOKHEY: But sitting here today, from the perspective of the taxi industry, they were told that \$142 million of hardship assistance was available but only \$42 million was disbursed, which means roughly only one in every \$3 that was promised to the taxi industry in hardship payments was actually received by the taxi industry. Can you explain why only \$42 million of the \$142 million was disbursed?

Dr DE KOCK: Yes, I can explain that. As part of the 2015 review, a panel was set up, the Taxi and Hire Vehicle Industries Assistance Panel was set up to advise the Minister how to best distribute those funds, the

\$142 million Additional Assistance Payment Scheme funds. That panel made a number of recommendations in terms of what the procedures were to apply for the funds, what the criteria were to make assistance decisions. So Transport for NSW applied those procedures and criteria with all the applications that they received and at the end of that process there were about \$42 million of payments awarded. It was very important that when we went through that process we took the criteria and process that was recommended by the industry assistance panel very carefully and that the payments were made to people who needed it most.

The Hon. DANIEL MOOKHEY: Dr De Kock, I believe there is a note for you.

Dr DE KOCK: Yes. Regarding the scheme, that was a question that I took on notice. The scheme opened on 2 July 2018 and closed on 1 October 2018. Late applications in special circumstances were accepted until 15 May 2019.

The Hon. DANIEL MOOKHEY: Sorry, can you give us those dates again but slower?

Dr DE KOCK: Yes, sure. The scheme opened up on 2 July 2018 and closed on 1 October 2018. Late applications in special circumstances were accepted until 15 May 2019.

The Hon. JOHN GRAHAM: Perhaps on notice just give us a quick idea of how many special late applications were accepted. Was that a big number or a small number?

Dr DE KOCK: I will have to take that on notice.

The Hon. SCOTT FARLOW: Dr De Kock, just one quick point of clarification if I may. It was told to us before by the Taxi Council that it was not able to know the exact figures because of people taking payments over three years, for instance, and that money might not have been disbursed. When you are talking about the \$42 million, does that include money that has not yet been disbursed, but has been approved and earmarked, or is that just what has gone out the door at this stage?

Dr DE KOCK: That is all the money that has been paid already. It has been agreed and paid.

The Hon. SCOTT FARLOW: Do you have a figure for what has been agreed but not yet paid?

Dr DE KOCK: All of the \$145 million has been approved for payment.

The Hon. SCOTT FARLOW: All of the \$145 million has been approved for payment.

Dr DE KOCK: But some may still be deferred, depending on some people taking—

The Hon. SCOTT FARLOW: Just to clarify, there is \$42 million that is out the door at the moment, but then there is another \$103 million that has been approved but has not yet been paid because of how it has been elected to be determined or the like. Is that correct?

Dr DE KOCK: No. At the moment we have approved for payments \$145 million and that includes—

The Hon. DANIEL MOOKHEY: Sorry, we are talking about the hardship fund.

The Hon. SCOTT FARLOW: Okay, I am talking about just the hardship fund.

The Hon. DANIEL MOOKHEY: How much has been approved in total, regardless of whether or not it has been paid?

Dr DE KOCK: The total amount of payments for the hardship fund was \$42 million that has been approved for payments. For some of those payments people could elect to get payment in lump sums or they could elect to be paid over three years.

The Hon. DANIEL MOOKHEY: So the maximum that will be paid under that funding program, under that fund—

The Hon. JOHN GRAHAM: Which has closed.

The Hon. DANIEL MOOKHEY: Which has closed, is \$42 million?

Dr DE KOCK: It is \$42.1 million.

The Hon. DANIEL MOOKHEY: When will the last payment of that \$42.1 million go out?

Dr DE KOCK: I will have to take the exact date on notice, depending on when people put in the applications and how people have chosen for their payments to be made.

The Hon. DANIEL MOOKHEY: Do you understand why the taxi industry might feel frustrated that they only received \$42 million of the \$142 million that was promised to them?

Dr DE KOCK: As part of the review, the Taxi and Hire Vehicle Industry Assistance Panel was established to advise how best to distribute the \$142 million. It would be worthwhile just to remind who was part of that panel. There were actually four members: the first one was the CEO of the NSW Taxi Council, who was there to represent the industry; there was the Secretary of Transport for NSW as the chair; and the delegates were the Secretary of the Department of Premier and Cabinet and the Secretary of NSW Treasury. That panel was formed as part of the 2015-16 P2P reforms to advise on how to best distribute the funds and, in particular, to determine the procedures for the applications, the criteria that would apply to make these additional assistance payments and their guidelines were very much focused on people who were most detrimentally impacted by the reforms. For example, people who were close to or at retirement, people who had large loans or who had limited assets and income. It was very much focused on providing support to those who needed it most and to those who were most detrimentally impacted by the reforms.

The CHAIR: Can I just clarify for someone who was not around at the time that this was put together? You had \$142 million in the hardship fund and then a group of people came together to decide how best that should be distributed to make sure that it actually got to the people who experienced the most hardship, correct?

Dr DE KOCK: That is correct, yes.

The CHAIR: When it became clear that the criteria that you were working with was actually leading to two-thirds of that fund not being used, was there an attempt to then recalibrate that criteria to ensure that the fund could actually go to the next group of people who had felt hardship?

Dr DE KOCK: I was not there at the time. I am not aware of that, but I will take it on notice.

The CHAIR: Would you say that would make sense, though, given that the criteria was put in place to ensure that it would get to the people who most needed it, on the understanding that the whole thing would be spent on the industry?

Dr DE KOCK: In the end, when all the applications were received, they were evaluated based on the criteria processes from the panel and it turned out that fewer people qualified for that.

The CHAIR: Would it be fair to say, then, that the criteria were too stringent?

Dr DE KOCK: It was not for me to say. Those criteria were determined by that industry assistance panel in 2016.

The Hon. JOHN GRAHAM: You are confirming that the majority of those applications were refused, are you not? It is true, on the numbers you have given us, that of the people who took the time to say, "I am in hardship, I will go through the paperwork and put it in," more than half of them were refused.

Dr DE KOCK: Yes. We received 1,258 applications and we made payments to 531. Nil payments were 727.

The Hon. JOHN GRAHAM: What proportion is that? I would say 58 per cent, but feel free to disagree.

Dr DE KOCK: It is obviously less than half, yes.

The Hon. JOHN GRAHAM: Why not expand to some of those other people who obviously felt they were in hardship and had gone to some effort?

Dr DE KOCK: Maybe I can expand a little bit on some of the reasons why those applications were not successful and why there were nil payments. Some applications were from people who were not eligible.

The Hon. DANIEL MOOKHEY: Sorry, Dr De Kock, before you do that can you explain what was the definition of hardship?

Dr DE KOCK: Yes. The industry panel who advised on that actually leveraged some of the criteria from the Federal Government. The hardship payments were actually means tested, including individuals' incomes, loans and so forth.

The Hon. DANIEL MOOKHEY: Sorry, you are going to have to go slower. We have to unpack this carefully. When you are talking about the Federal criteria, what Federal criteria?

Dr DE KOCK: The industry assistance panel recommended to make these payments means tested and they leveraged the Commonwealth Government Department of Social Services eligibility criteria for the aged pension, and those criteria include income as well as net assets. They are different for someone who is a home owner or a non-home owner, and a couple or an individual.

The Hon. DANIEL MOOKHEY: The basic criteria is, if it would create hardship for an aged pensioner it would create hardship for a licence owner. Is that a fair summation of the process definition?

Dr DE KOCK: That was one of the core parts of the scheme, yes.

The Hon. DANIEL MOOKHEY: Under the Act that the Parliament passed, the power to set the criteria was given to the panel. It was not advisory, was it? Or was it the Minister or the secretary?

Dr DE KOCK: The Act included the creation of the Taxi and Hire Vehicle Industry Assistance Panel. The panel advised the Minister on the process and the criteria. The Minister has the determination.

The Hon. DANIEL MOOKHEY: So it was the Minister who decided to use the aged pension criteria to define hardship?

Dr DE KOCK: The Government accepted that and the Minister delegated the implementation of and the applications for the agreed procedures and criteria to the department and Transport for NSW.

The Hon. DANIEL MOOKHEY: What I find quite remarkable about that is I do not believe Mr Sturgess recommended that as being the criteria to be used to assess hardship.

The Hon. DANIEL MOOKHEY: No, it was the industry assistance panel.

The Hon. DANIEL MOOKHEY: To be clear on the sequence of events, Mr Sturgess leads a task force that delivers a report that sets much broader criteria for hardship than is eventually adopted by the hardship panel. Why?

Dr DE KOCK: The review in 2015 provided for an additional assistance payment scheme of \$142 million and recommended the creation of an industry assistance panel to determine what the process and the exact criteria were for that. As I mentioned before, there were four members of that panel. It was that panel that decided or recommended what the processes and the criteria were and advised the Minister on the disbursement of the assistance payments.

The Hon. SCOTT FARLOW: Sorry, Dr De Kock, just remind me who those four members were?

Dr DE KOCK: The four members included the CEO of the NSW Taxi Council, to make sure that the voice of the industry was there; the Secretary of Transport for NSW, who was the chair; and the other delegates were the Secretary of the Department of Premier and Cabinet and the Secretary of NSW Treasury.

The Hon. JOHN GRAHAM: On that point, do you accept that three of those individuals have some structural incentive—they have a lot of other spending priorities? The fourth, from the Taxi Council, has turned up and given evidence to say they were not aware of how many applications had gone out the door. That seems to create some real issues here, does it not?

Dr DE KOCK: The CEO of the NSW Taxi Council was a part of that panel. I know that that panel met on 25 occasions in session and on another eight occasions out of session. All of the people in that room would have been aware of the deliberations, unless they had some particular conflict of interest.

The Hon. MARK BANASIAK: Can you talk us through the deliberations and how it works? Was there a particular weighting given to an individual member's view? Did the industry representative have a greater say? Was there a vote or a show of hands? How was it decided? We heard testimony from a witness last session—I believe you walked into the room at the time—who said that they actually felt less deserving of that industry assistance when they looked at some of the people who missed out. They actually felt quite embarrassed by the fact that they had been given \$100,000 when there were quite a few people who they believed were far worse off. I am just wondering how that sort of thing could have occurred if it was based on such stringent criteria. How did we get an anomaly where someone has been given \$100,000 and has openly said that he felt like a leper because there were all of these other people who were more deserving. How does that happen if it is such stringent criteria?

Dr DE KOCK: I cannot comment on any individual circumstances.

The Hon. MARK BANASIAK: Can anyone comment on how that may happen on the panel? How does that happen?

Dr DE KOCK: All I can say is that the panel determines what the procedures were and what the criteria were and that panel included the CEO of the NSW Taxi Council to provide a voice from the industry.

The Hon. JOHN GRAHAM: To that point, the NSW Taxi Council turned up and said it did not know, and you are saying it should have, given the structure. Was the industry informed that the majority of these funds, which have been allocated, had not been spent? Is this the first time that this information has been made public?

Dr DE KOCK: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: In the application process, was it disclosed to applicants that they would be assessed according to the criteria of the age pension? How were they asked to prove hardship?

Dr DE KOCK: As part of the application process, individual applicants were asked to provide financial information and other information to Transport for NSW to make a proper assessment according to all the criteria. They would have had to provide information on all their financial circumstances so that the department could make an accurate determination on whether or not they were eligible for assistance and by how much.

The Hon. DANIEL MOOKHEY: Did the department provide recommendations on a per-application level to the panel?

Dr DE KOCK: Each application was received and assessed by Transport for NSW on its own merit, so that we were able to take in the basic information.

The Hon. DANIEL MOOKHEY: Sorry, Dr De Kock, when you say Transport for NSW, can you identify what part of Transport for NSW?

Dr DE KOCK: It was the Customer Strategy and Technology division in Transport for NSW.

The Hon. DANIEL MOOKHEY: Okay. Please complete.

Dr DE KOCK: Transport for NSW took the application information from the individual applicants and did an individual assessment, so they were able to take into account the full circumstances. Through that process they made a determination on whether the applicants met the criteria for an assistance package and then also, if they met that hurdle, the amount of assistance funds to be provided.

The Hon. JOHN GRAHAM: Just to my colleague's earlier question, because I was not quite clear on the answer, but you are saying the panel approved the eligibility criteria, they made a recommendation and that was then approved by the Minister?

Dr DE KOCK: Let me explain again. The panel made recommendations on the processes and criteria, those were then agreed by the Minister and the actual implementation and assessment of those criteria and the decision was made by Transport for NSW.

The Hon. JOHN GRAHAM: Yes, but they were agreed and approved by the Minister. That is what your submission says.

Dr DE KOCK: The Minister actually delegated doing the assessments and the determination of the exact payments.

The Hon. JOHN GRAHAM: Then there was a recommendation and then there was an approval.

The Hon. DANIEL MOOKHEY: Sorry, Dr De Kock, you said the assessment of the applicant. To whom did the Minister delegate it?

Dr DE KOCK: To Transport for NSW.

The Hon. DANIEL MOOKHEY: Who?

Dr DE KOCK: The Customer Strategy and Technology division.

The Hon. DANIEL MOOKHEY: Your predecessor?

Dr DE KOCK: My predecessor.

The Hon. DANIEL MOOKHEY: The deputy secretary level was the person actually signing off on the decisions?

Dr DE KOCK: Yes, that is correct.

The Hon. SCOTT FARLOW: Just to pick up on a couple of things in terms of the criteria—

The Hon. JOHN GRAHAM: Sorry, we did interrupt the answer. I just want to be clear that your submission says that the eligibility criteria was recommended by the panel and was then approved by the Minister. I just want to confirm that is correct?

Dr DE KOCK: Yes, then it was delegated to Transport for NSW to run the application process and finish the process.

The Hon. JOHN GRAHAM: Yes, I understand.

The Hon. DANIEL MOOKHEY: On notice, can you give us the date that the Minister approved the criteria?

Dr DE KOCK: I will have to take that on notice.

The Hon. SCOTT FARLOW: Just in terms of the criteria, the criteria was recommended by the panel and it was then approved by the Minister. Was it communicated to the industry or to applicants at any point? If so, how?

Dr DE KOCK: To make sure that as many as people as possible could apply for it, the department wrote to all the taxi licence holders to make sure that they were aware of this particular assistance fund. Also, the NSW Taxi Council reached out to its members and communicated the availability of these funds and, from what I believe, some of the key criteria associated with that.

The CHAIR: Just to clarify, the criteria was never advised, it was just the same criteria from the beginning until the closure date of the hardship fund?

Dr DE KOCK: I would have to take that on notice.

The CHAIR: If you could, and if you could let us know if there were any communications with the Minister to let the Minister know that the amount of the fund was not being spent, or any sort of communication suggesting that the criteria ought to be less tight or less strict to ensure that more of that money was getting out.

Dr DE KOCK: I will have to take that on notice as well.

The Hon. SCOTT FARLOW: Just to pick up on another point from a question from the Hon. John Graham, it was pointed out that there were three people on that panel who potentially had a vested interest in that money not being spent. Could I seek some clarification from you as to any money that is taken from the passenger service levy, is there a requirement for that money to be spent on industry assistance to the taxi industry?

Dr DE KOCK: Yes.

The Hon. JOHN GRAHAM: More a structural interest than a vested interest.

The Hon. SCOTT FARLOW: Of course, that is right. In terms of hardship.

Dr DE KOCK: Yes. The passenger service levy is collected for the sole purpose to provide assistance to the taxi industry and cannot be used for other purposes.

The Hon. DANIEL MOOKHEY: It is held in a special purpose account at the Treasury, is it not?

Dr DE KOCK: It is actually collected by Revenue NSW and, as I said before, it is collected on the sole purpose for providing assistance to the taxi industry.

The Hon. DANIEL MOOKHEY: To the best of your knowledge, is it not paid into a consolidated fund?

Dr DE KOCK: I will have to take that on notice.

The Hon. DANIEL MOOKHEY: Were the actual individual level decisions signed off by the Deputy Secretary of Transport for NSW reported to the hardship panel?

Dr DE KOCK: In terms of the assessments of the additional assistance payment scheme [AAPS], they were assessed by staff from Transport for NSW based on the criteria from the industry assistance panel. The staff did the process and that was reviewed by a senior manager to sign that off. That was not a decision for the industry assistance panel.

The Hon. DANIEL MOOKHEY: Was it reported to them?

Dr DE KOCK: They never made decisions on individual assistance payments.

The Hon. DANIEL MOOKHEY: Did they receive reports? Was it reported to them as to who got assistance? Or was the only decision that they were required to make was what the criteria was?

Dr DE KOCK: There were a number of occasions where the industry assistance panel was asked for guidance on very complex cases, but in that case the guidance was based on a case study rather than an individual. For example, people may have had some complex arrangements that needed some consideration and perhaps needed some more guidance from the industry assistance panel. It was always done on an anonymised case study basis for complex cases that perhaps were not foreseen from the beginning.

The Hon. DANIEL MOOKHEY: Did the 727 people who made an application but were then refused a payment offered any appeal process or appeal right?

Dr DE KOCK: There was no appeal process as part of the process that was in place.

The Hon. DANIEL MOOKHEY: Were they given reasons for rejection?

Dr DE KOCK: I will have to take that on notice.

The Hon. DANIEL MOOKHEY: Do you understand why the taxi industry might have felt that this was an entirely opaque process?

Dr DE KOCK: I think the process that was followed was in accordance with the recommendations of the industry assistance panel that was set up at the time, and that included representation from the NSW Taxi Council. We followed the advice and recommendations of that panel.

The Hon. MARK BANASIAK: Is it a normal process that you do not have an avenue for appeal or was that something special that the industry assistance panel decided?

The Hon. DANIEL MOOKHEY: Did the industry assistance panel decide that there would be no grounds for appeal?

Dr DE KOCK: The industry assistance panel did not create a route for appeal in their processes and procedures at the time.

The Hon. JOHN GRAHAM: Was that approach signed off by the Minister?

The Hon. MARK BANASIAK: Well, yes, I think.

Dr DE KOCK: I will have to take that detail on notice.

The Hon. DANIEL MOOKHEY: Did Transport for NSW ever provide advice to establish an appeal mechanism?

Dr DE KOCK: I will have to take that on notice.

The Hon. DANIEL MOOKHEY: Was it the responsibility of the panel to design an appeal mechanism?

Dr DE KOCK: I can give you a bit more background to what the functions of that panel were: To determine the procedures for applications for assistance of funds; make recommendations on the criteria to apply for additional assistance payments; advise the Minister on the disbursement of the assistance funds; report to the Minister on the activities of the panel; make recommendations in relation to the AAPS payments at the request of the Minister; determine the period to which the AAPS payments may be made; and issue guidelines in relation to the procedures for assessing and determining applications for assistance, including procedures for dealing with late applications.

The Hon. DANIEL MOOKHEY: I appreciate that. That is helpful. The Act that established the levy and the PTP structure that currently prevails passed September 2016, I remember. Was it around that time Mr Wing?

Dr DE KOCK: That is correct.

Mr WING: Yes, that would be 2016.

The Hon. DANIEL MOOKHEY: So the Parliament passes the Act that establishes this panel, this structure, the PTP Commissioner, and the associated deregulation and reform of the industry, but it takes two years for the applications to open for hardship and then they are only open for three months. Do you want to explain why it took two years before the applications were open and why they were only available for three months? Dr De Kock? Mr Wing?

Mr WING: Dr De Kock was not there at the time that passed, but my memory—and this is not the area I run—was that almost immediately the transitional assistance payment fund opened.

The Hon. DANIEL MOOKHEY: According to the evidence we just got, it was 2 July 2018 the applications were open.

Mr WING: That is for part three. The first fund was the \$20,000 per licence.

The Hon. DANIEL MOOKHEY: Yes, I am talking about the hardship fund.

Mr WING: I guess what I am saying is assistance payments started opening quickly. There was a transitional assistance payment first and the hardship fund came a bit later after that. That is my memory of it, but,

as I say, I was not really around for, and not in charge of, the hardship funds. I am just saying that is my memory of the time.

The Hon. DANIEL MOOKHEY: I accept that you were not present, and thank you for providing us with the information that you remember, but the Deputy Secretaries are now both the heirs to these decisions. Do you have any information you can add? Who was the Secretary's delegate from Transport for NSW to the panel? Or was it the Secretary himself?

Dr DE KOCK: I would have to take it on notice who the actual individual was.

The Hon. DANIEL MOOKHEY: Does the panel still exist?

Dr DE KOCK: Not to my understanding, no.

The Hon. DANIEL MOOKHEY: When was it abolished?

Dr DE KOCK: I would have to take that on notice as well.

The Hon. JOHN GRAHAM: On the expenditure of the funds—less than a third is expended—did either Transport or the Point to Point Commissioner receive representations from industry, licence plate owners or anywhere saying that they were concerned the criteria might be too tight or this money is not getting out? You have said the Taxi Council was in the room and they should have known, but were there representations coming from elsewhere that Transport received?

Dr DE KOCK: The NSW Taxi Council was part of the panel to represent the industry, so that was the voice of the industry part of that panel.

The Hon. JOHN GRAHAM: Did Transport receive other representations? This was the subject of a fair bit of discussion in the industry. Did the Minister receive representations that went to Transport saying that this money is not getting out?

Dr DE KOCK: Not that I am aware of and I will have to take the details on notice.

The Hon. JOHN GRAHAM: If you could take that on notice, and Mr Wing?

Mr WING: Well, I did not, but any representations would have been made to the department.

The Hon. JOHN GRAHAM: Yes. Understood.

The CHAIR: Back to this \$100 million, which happens to be about the same amount that we are still to collect from the passenger service levy. If that \$100 million that has been set aside for the hardship fund is now not being spent from the hardship fun, what is the plan for it?

Dr DE KOCK: The passenger service levy continues to be collected and, as I said in my opening comments, Minister Constance announced a point-to-point industry review, and Ms Sue Baker-Finch was appointed to lead that review. Part of her terms of reference is to check whether there is further assistance required for the participants, particularly those in regional areas. That report has been completed and is with Government for consideration.

The CHAIR: Are there recommendations that the \$100 million now be spent?

Dr DE KOCK: Ms Sue Baker-Finch has completed her report and provided that to Government and it is now being considered by Government.

The CHAIR: You cannot tell us, though, now because it is confidential still?

Dr DE KOCK: That is right.

The Hon. MARK BANASIAK: Who appointed Ms Sue Baker-Finch for this inquiry? Was it a direct ministerial appointment or did someone advise him of Ms Baker-Finch's suitability?

Dr DE KOCK: I was not there at the time so I will have to take that on notice.

The Hon. MARK BANASIAK: Is there anyone on the panel who can advise us as to how Ms Baker-Finch came to be the most desirable candidate? We have heard testimony today that she has no experience in this area whatsoever, so I am just perplexed as to how she came to be the most desirable candidate.

Dr DE KOCK: I can comment on her experience. Ms Sue Baker-Finch has over 20 years of senior executive leadership experience in commercial, government and not-for-profit businesses across a range of sectors. She has built a strong reputation for her strategic insight, change leadership and ability to drive outcomes in various context. Ms Baker-Finch also demonstrated a passion for advancing regional economies and a strong

appreciation of regional business contexts. She has had leadership roles in the business chamber movements at both State and regional levels for over a decade and she had a good understanding of the issues and challenges impacting business, in particular, in transforming economies. I understand that Ms Baker-Finch has experience in the health, sports, tourism, local government and business chamber sectors.

The Hon. DANIEL MOOKHEY: From the perspective of the passengers who have been paying this levy, do you understand that they might be a bit frustrated that they have paid already \$100 million, or will pay \$100 million, that will not be spent?

Dr DE KOCK: At the moment we have collected \$150 million from the passenger service levy and the amount that has been approved for payments is \$145 million at the moment.

The Hon. SCOTT FARLOW: So there is a \$5 million difference at the moment.

The Hon. DANIEL MOOKHEY: But you are intending to collect another \$100 million? Is that correct?

Dr DE KOCK: The passenger service levy is expected to continue to run until it collects \$250 million. We expect that to be finished around the middle of 2022.

The Hon. DANIEL MOOKHEY: Why are we collecting an additional \$100 million from passengers if the Government is yet to determine how to spend it?

Dr DE KOCK: As I mentioned before, the review of Ms Baker-Finch—part of her terms of reference includes whether further assistance to the industry participants is required.

The Hon. DANIEL MOOKHEY: Do you know when the Government will be making a decision?

Dr DE KOCK: That is a matter for Government.

The Hon. DANIEL MOOKHEY: I accept that, and I accept that you cannot comment on the Government's decision. But from Transport for NSW's perspective, you are saying that the report has been provided to Government, by which I presume you mean to Cabinet. Is that right, or was it to the Minister?

Dr DE KOCK: The report has been provided to Government.

The Hon. DANIEL MOOKHEY: Who in Government got the report? Was it the Secretary of Transport for NSW, the Minister or Cabinet?

Dr DE KOCK: The report has been provided to the Minister.

The Hon. JOHN GRAHAM: We were told this morning that it was provided in June. Can we confirm when it was provided?

Dr DE KOCK: I will have to provide the exact timing on notice.

The Hon. JOHN GRAHAM: I accept you cannot tell us when it comes out the other end; that really is up to Government. But if you can tell us when it was submitted, given we have been told it was in June, that will be helpful.

Dr DE KOCK: I will take on notice the exact timing of that.

The CHAIR: I am genuinely a little confused here. We set aside \$150 million—

The Hon. DANIEL MOOKHEY: It was \$142 million.

The CHAIR: Thank you. Yes, \$142 million for people who were suffering detriment through these point-to-point reforms. It was agreed by Parliament that there would be a \$142 million hardship fund.

The Hon. DANIEL MOOKHEY: No, it was agreed by Parliament that we would authorise a levy for the policy objectives of the Government. Parliament did not establish the fund.

The CHAIR: Criteria were set to ensure that that money got distributed in the most equitable way. It became clear that the criteria were too harsh and that only one-third of that money was going to be spent. We have \$100 million left over. We had a day and a half of hearing from people who feel really financially burdened by these reforms, and now we are being told that the \$100 million that was not spent was sent off to be reviewed as to what should be done with that. Why was the \$100 million not put back into the hardship fund and the hardship process reopened?

Dr DE KOCK: As I mentioned before, the industry assistance panel decided on the criteria and the process to provide supports to people who suffered detriment from the reforms. The department followed those criteria and that process. At the end outcome, \$42 million was allocated for people.

The CHAIR: In hindsight, would it be fair to say that that entire process was a dismal failure?

Dr DE KOCK: I think if you go back to the original intent of the reforms, \$142 million was earmarked to provide industry assistance as part of the overall \$250 million package to make sure that the Government provided broad support for the industry. It included nearly \$100 million for all taxi licences as part of the transitional payments. We also provided support for the hire cars—the HC licence plates—and then the third part was to provide additional assistance for people suffering hardship. Initially the money earmarked for that was \$142 million. After applying the criteria and process as advised by the industry assistance panel, which included representation from the NSW Taxi Council, it was only \$42.2 million in the end.

The CHAIR: Your testimony earlier was that the point of that hardship fund and the point of the criteria was to ensure it got to the people who needed it most. Do you think that that is what the criteria achieved?

Dr DE KOCK: I think part of the assessment criteria for the hardship fund included criteria—it was means tested and part of the means test was to leverage the Federal Government's Department of Social Services criteria for eligibility for the aged pension.

The CHAIR: In hindsight, was that criteria too strict?

Dr DE KOCK: That was a recommendation that was made by the industry assistance panel.

The CHAIR: I know, and we have heard that. I am interested in whether the department as a whole can now look back and say, "Clearly, having only distributed \$42 million of the \$150 million and with the objective for the criteria to ensure that it be distributed amongst the taxi industry with priority to those who need it most, looking back, surely we can say that was a failure."

Dr DE KOCK: As I said before, we applied the criteria that was set by the industry assistance panel. Looking forward, though, as I mentioned in my opening statement, in October last year we announced a new independent review on the P2P industry.

The CHAIR: Do you think that review is needed to know how to spend the \$100 million that had not been spent but had been already earmarked for those in need?

Dr DE KOCK: The review was triggered because of some concerns from industry, as well as four years had already passed since the 2015-2016 point-to-point reforms. Minister Constance announced that review to look at whether further assistance is required for the industry, and also to make sure whether there was any further structural adjustments required to ensure the long-term viability of the sector.

The Hon. MARK BANASIAK: Surely assistance was needed, given that the Minister [audio malfunction] another \$12.6 million for COVID-related matters—dare I say, probably about three months too late. Do we need a review to decide how that money is spent?

The Hon. DANIEL MOOKHEY: Incidentally, is that money coming from this fund?

The Hon. SCOTT FARLOW: No, it is coming from the COVID stimulus.

Dr DE KOCK: We are supporting the industry in multiple ways. We talked first of all about the \$250 million assistance for the industry. In addition to that, in response to the COVID crisis the New South Wales Government has provided \$12.6 million in support for the taxi industry from May this year, funded separately. That included \$2.5 million to assist the owners of wheelchair-accessible taxis [WATs]; that is \$2,900 per vehicle, so that really helps the WAT owners, to assist paying for the compulsory third-party insurance and registration fees. We paid another \$7.5 million to provide assistance to owners of registered taxis—again, that is \$2,900 to help these vehicle owners to assist with on-road costs.

The Hon. MARK BANASIAK: My question, though, is why did it take so long to engage and get that announcement of \$12.6 million, given that we already knew that there was \$100 million left over and so many people have missed out and we have done a review—

The Hon. SCOTT FARLOW: It is a different fund.

The Hon. DANIEL MOOKHEY: But they have different purposes.

The Hon. MARK BANASIAK: They have different purposes but, essentially, the industry is still suffering. It was suffering before COVID. It was basically on its knees when COVID was happening. You have

got plates being thrown into RMS left, right and centre. Clearly, there was a need to get that money out as soon as possible, given that \$100 million was left over and so many people were still suffering hardship.

Dr DE KOCK: The Government, as I mentioned before, has provided \$12.6 million to help. We recognised that taxis were significantly impacted by the COVID-19 pandemic. As a result of that, the Government announced a \$12.6 million support package. Mr Wing can probably talk a little more about the other support that is being provided by Government to the taxi industry.

The Hon. JOHN GRAHAM: We might pursue that in the last session.

The Hon. SCOTT FARLOW: While we are on the criteria and picking up on your testimony before, Dr De Kock, are you effectively saying that you need to be able to qualify for the pension to be able to qualify for the hardship payments? Is that correct?

Dr DE KOCK: That is one of the criteria, yes. It is a means-tested payment.

The Hon. SCOTT FARLOW: In terms of what was modelled compared to what was actually delivered, you effectively did not have as many people who fit the criteria applying for hardship assistance as you anticipated at the beginning. I should not say "you" because you were not there, but Transport for NSW.

Dr DE KOCK: Yes. The reasons why people would not get this additional assistance payment are if they did not have the licences at the right time, they did not meet the criteria for eligibility for the aged pension or they did not provide sufficient information for Transport for NSW to make an accurate assessment of their applications. Those were the three reasons why people would not qualify for the payment.

The Hon. MARK BANASIAK: Was one of those three reasons an automatic cut-off? Was the aged pension the first point where they were rejected or was it a cumulative thing? Did you say that if they did not meet the aged pension requirement, they did not do this and did not do that then they were not eligible or was the aged pension a point where they were automatically struck out as not being eligible?

Dr DE KOCK: Each application was judged on its merits and there were some essential criteria. You had to hold a licence in the right time period and there were criteria in terms of the aged pension.

The Hon. MARK BANASIAK: I am just trying to assess whether the aged pension was treated like an automatic fail. If you did not meet that threshold with the aged pension, were you automatically knocked out?

Dr DE KOCK: All of the applications were assessed on their merits.

The Hon. MARK BANASIAK: I get that. The aged pension being one of those merits, did that trigger an automatic fail—yes or no?

Dr DE KOCK: It did not because sometimes it is hard to estimate income and asset levels. If people's income or asset levels were less than 15 per cent above the threshold—and assets of 30 per cent—we did make a fringe payment of \$26,000. That was done because it is sometimes quite hard to make a really accurate assessment of an asset. There was some flex in there.

The Hon. SCOTT FARLOW: So there was some leeway put in there.

The Hon. JOHN GRAHAM: Doctor, can I just take you back to your evidence about the eligibility criteria? I just want to check these three stages of the process and what was briefed. The eligibility criteria were signed off and recommended and then the Minister approved. I just want to be clear. The individual decisions in these 531 cases that were approved—or the ones that were knocked back—did not go to the Minister, did they?

Dr DE KOCK: No, they stayed within the Department. We had delegated authority to make those determinations.

The Hon. JOHN GRAHAM: Exactly, as is appropriate. But the Minister would have been briefed on the fact that \$100 million was not spent. Can you confirm that?

Dr DE KOCK: I will have to take that on notice. I was not there at the time.

The Hon. JOHN GRAHAM: Could you also confirm the dates of those briefings?

The Hon. SCOTT FARLOW: With respect, Dr De Kock, we heard evidence this morning from the TWU—and I think from the Taxi Drivers Association as well—that there were no financial hardship applications that they could tap into and that they should have been considered for the financial hardship assistance program. Is there any comment that you would make to that or anything that is considered for the drivers?

Dr DE KOCK: Just to confirm, the question is about taxidriver?

The Hon. SCOTT FARLOW: Drivers themselves, not the plate holders.

The Hon. DANIEL MOOKHEY: Drivers who are not licence owners, to be technical. That is the category.

Dr DE KOCK: Yes. As part of the task force of 2015, they did consider that. My understanding was that they decided that the assistance should go to the people in the industry who are impacted most. That is primarily the licence plate holders. In terms of taxidrivers, the point to point reforms actually opened up booked services. We have seen the growth of booked services from companies like Ola and Uber. The view of the panel was that for the taxidrivers, there were actually increased employment opportunities as part of the reforms and the deregulation of the point to point industry.

The Hon. DANIEL MOOKHEY: Mr Heuston or Ms Foy, depending on whoever has the expertise, you would be aware that in 2014 IPART did a review of driver earning from the taxi industry as part of its determination.

Ms FOY: I believe Mr Heuston might be aware of the detail of that.

Mr HEUSTON: I am aware that IPART regularly reviews the fees and charges of the taxi industry, yes.

The Hon. DANIEL MOOKHEY: Yes, but we are talking specifically about driver earnings and driver remuneration.

Mr HEUSTON: I am not specifically aware of that report.

The Hon. DANIEL MOOKHEY: To be fair, it was in the point to point task force. Professor Sturgess's report notes it. Research was undertaken by IPART in 2014. To the best of your knowledge, has IPART repeated the exercise?

Mr HEUSTON: I am not aware of that.

Ms FOY: Nor am I. I am happy to check it and come back.

The Hon. DANIEL MOOKHEY: What information does the Department of Premier and Cabinet or Employee Relations have on what taxidriver remuneration is being delivered versus the bailment—their contract determination outcome?

Mr HEUSTON: We do not research or collect data on the earnings of taxidrivers. We do receive complaints or contact from drivers and other people in the industry about the operation of chapter 6 in the industry and in contract determination. For the most part they make up a very small proportion of the calls that we get and the complaints that we receive.

The Hon. DANIEL MOOKHEY: What work has Employee Relations done on chapter 6 and its role in the rideshare or taxi industry?

Mr HEUSTON: Our role is largely one of compliance. We will regularly update and review our materials, educational offerings and advice across the board. We will provide that to people in the industry through things like workshops, webinars, online materials and fact sheets. They are aimed at what the existing arrangements are under chapter 6 rather than something else.

The Hon. DANIEL MOOKHEY: On notice, can you provide us with the set of materials that you just referred to—whatever worksheets are available with respect to the chapter 6 determination for the taxi industry and point to point industry? I am asking specifically whether you have prepared any policy advice as to any changes that might be required to chapter 6 to encompass the emergence of rideshare.

Ms FOY: We have not prepared any information for any advice in that respect. We work largely around the compliance with chapter 6. I am very happy to provide any information but I do note it is also publicly available through industrialrelations.nsw.gov.au.

The Hon. DANIEL MOOKHEY: Sure, but do you mind just putting it on notice so I can put it on the evidence record?

Ms FOY: Of course, naturally. Our role is largely one of compliance. We have a phone number that taxidrivers can phone into to seek either information or assistance. We have had cause over the last couple of years to follow up certain matters with the IRC with respect to some prosecution action taken by the department with compliance matters, but it is a very small proportion. I think there have only been about 13 industrial complaints since 2015. I am very happy to get copies of that information that we provide and have that submitted into the evidence.

The Hon. DANIEL MOOKHEY: The 2014 report that I referred to found effectively that it is not uncommon for drivers to be paid well below minimum wage after you take out all their costs. Are you aware that there is a concern that taxidivers earn well below the minimum wage?

Ms FOY: I have not sighted the evidence around that.

The Hon. DANIEL MOOKHEY: Have you done any work that would allow us to be able to draw a conclusion as to whether or not those claims are correct?

Ms FOY: No, we have not done any work in that respect. That might be undertaken by another part of Government, but certainly not in Employer Relations.

Mr HEUSTON: If I might just qualify one point, some of the educational and advisory services that we offer are not readily printable. It will include things like e-learning modules and video.

The Hon. DANIEL MOOKHEY: Perhaps on notice you can provide a description of what it is that you do, at whatever level you can provide.

Ms FOY: Yes, absolutely.

Mr HEUSTON: Certainly.

The Hon. SCOTT FARLOW: On notice to Dr De Kock, you were obviously referring to a document in terms of the criteria and some of the thresholds in making determinations. I am not asking you to hand over that document today but, on notice, would you be able to give us that criteria and some of those thresholds that you talked about so the Committee has some clarity in its deliberations?

Dr DE KOCK: I will take that on notice, yes. And I have just been handed a clarification about the additional assistance payment applications. They were actually open from July 2018 and closed in December 2018, not October 2018 as I previously advised.

The Hon. DANIEL MOOKHEY: Do you have the exact December date, by any chance?

Dr DE KOCK: The exact date? It was open from July 2018 and then closed December 2018, not October 2018 as previously advised. The other thing to add is that Transport for NSW wrote to the industry in July 2018 and then again in September 2018 to make sure that they were aware of the—

The Hon. DANIEL MOOKHEY: When you say "the industry" do you mean licence owners?

Dr DE KOCK: That is correct. Yes.

The Hon. DANIEL MOOKHEY: So you have gone directly to the 7,000 licence owners in New South Wales.

Dr DE KOCK: Yes, that is right, with the exception of the wheelchair accessible licensed taxis.

The Hon. DANIEL MOOKHEY: But there were about 200 of them at the time, were there not?

Dr DE KOCK: There are more. There are nearly 1,000—is that right, Mr Wing?

Mr WING: But I think the point that Dr De Kock is making is they were not permanent licensees.

Dr DE KOCK: So it is only for people who have perpetual or permanent licences.

The Hon. SCOTT FARLOW: And you were talking before about the extension for special circumstances. Have you got any further clarity around when that ended in terms of the extension for special circumstances?

Dr DE KOCK: I am going to have to take that on notice.

The Hon. SCOTT FARLOW: Take that on notice. Thank you.

The CHAIR: Unfortunately we are out of time. Thank you very much for attending this hearing. The Committee has resolved that answers to questions taken on notice be returned within 21 days. The Committee secretariat will be in touch with more details about that.

(Mr Heuston, Ms Foy and Dr De Kock withdrew.)

(Short adjournment)

The CHAIR: Welcome to the last session of today's hearing. Thank you again, Mr Wing, for joining us for this. I will give you the opportunity, if you would like, to make any additional statement at the beginning of this session, otherwise I will go straight to questions.

Mr WING: I gave an opening statement in the last session, thank you, Chair.

The CHAIR: Just checking. You might have wanted to clarify something.

The Hon. JOHN GRAHAM: Thanks for that last session. I just wanted to turn to one of the arguments made about the future of the passenger service levy. Obviously the fact is that if it was not there that would have a positive impact on fares for consumers. That is certainly true. What can you tell us about what we do know about fares for consumers since this change has come in, since we now have rideshare operating? Obviously it is a complex question because we are now using quite variable fare pricing. But what has it actually meant for consumers? What do we know about what it has meant for consumers?

Mr WING: As you say, it is a complex question, because obviously there are a lot of different fare structures available now. There are the fare structures which are the maximums set for rank and hail fares by Transport for NSW on the advice of the Independent Pricing and Regulatory Tribunal [IPART] but all booked services can set their own fare structures. We have not done a detailed analysis of what that would mean across all fare structures. I think someone like IPART would need to do that kind of analysis. But there is definitely a lot more choice now and I think that is the key thing here.

Customers have a lot more choice of which kinds of services they use and the different fare offerings—whether they want to take a luxury service or whether they want to take a basic service. Even if you look at the taxi industry you will see that, for example, 13cabs has different brands now. They have their Silver Service brand but they also have their CHAMP brand as well, which is supposed to be at a different level of the market. Similarly, if you look at the large rideshare companies they often offer either a standard service or a comfort service. So the key thing here is that people have a lot more choice than they had in the past.

The Hon. JOHN GRAHAM: We know a little bit of information about how people perceive the costs. That is also work that has been completed, I think, by IPART or it makes up part of the family of reports that IPART has brought through the system.

Mr WING: I am happy to see if there is any further work that IPART has done on total fare impacts. It may have been that they did work as well which the department might have seen, because the department sets the maximum fares for rank and hail.

The Hon. JOHN GRAHAM: Yes. Understood.

Mr WING: But I am certainly happy to go and see if we have got any more from IPART which talks about fare structures.

The Hon. JOHN GRAHAM: I think it is fair to say that customers perceive that the entry of ridesharing has had a positive impact on prices. I think that is probably the perception. But we do not actually know that, do we?

Mr WING: Exactly. One would have to do a complex analysis of all the fares and who was actually using which ones to know. But the fact that there is a lot more choice has meant that there is a lot more offerings at different price levels. So people who do want to have a cheaper service can get a cheaper service. Those who do want to pay for a more upmarket service can get that.

The Hon. JOHN GRAHAM: Understood. One of the things that IPART has recommended is that you as point to point commissioner should collect much more data over the course of a period of time so that we do know more about exactly what is going on. Since they made that recommendation, have you adopted it?

Mr WING: No. We do not collect detailed information about fares. It would really be a policy decision if we were to start making that kind of non-safety impost on the industry.

The Hon. JOHN GRAHAM: Yes. Well, IPART agrees with you. That was the recommendation out of their review of taxi fares and taxi licences, which I think was on 1 July 2018. They recommended you should collect that data. Have you done that? Do you intend to?

Mr WING: We have not collected detailed fare data. That would be another impost on industry which we would do if there were a policy decision that there should be that kind of collection in response to IPART's recommendation.

The Hon. JOHN GRAHAM: Well, yes. So do you have any intention of acting on this recommendation? You are really saying no, unless you are told to.

Mr WING: Unless a policy decision is taken to that effect, yes.

The Hon. JOHN GRAHAM: Okay. So we do not know what is going on. IPART says we should know but they would need you to do something about it. Your view is, well, you will not act on this until you are told to, presumably by the Minister.

Mr WING: Yes, or the department would consider this kind of thing.

The Hon. JOHN GRAHAM: Is that not fundamental, though, to knowing? If we cannot even say what is going on with fares for consumers how can we make a reasonable judgement? This is one of the things I was struggling with as we were being told that taking it off the passenger service levy would help consumers. I am very sympathetic to that argument but we cannot say, you cannot say, the Government cannot say what is going on with fares at the moment. Is that not a problem?

Mr WING: But what we can say, though, is that there is a lot more choice now. There are definitely fares at different levels and we can point out that customer satisfaction with the industry—and that is with both rideshare and taxis—has been going up over that time. Customer satisfaction takes a lot of things into account but one of those is your perception of fares and choice.

The Hon. JOHN GRAHAM: Since IPART made this recommendation, have you discussed this with the Minister or Transport for NSW?

Mr WING: No, I have not.

The Hon. JOHN GRAHAM: This is a direct recommendation about your role. Is there a reason why you have not?

Mr WING: Well, that recommendation was made in 2018 so I would have to go back and see whether there was any discussion held at the time by my predecessor with the department.

The Hon. JOHN GRAHAM: Is there any reason why this Committee should not recommend that you in fact do this? Do you have any objection that you want to raise before we make a recommendation that we see IPART's view as being fundamentally correct and you should get moving and get doing this?

Mr WING: I do not object to it. It would be a policy decision but I do not object to it, no.

The Hon. JOHN GRAHAM: You have not provided any advice to the Minister or the agency on your capacity to do this or you have not intervened in this question from your point of view.

Mr WING: Yes. If the matter were raised we would talk to them about capacity but—

The Hon. JOHN GRAHAM: The matter has been raised by IPART but you have not—

Mr WING: I guess what I am saying is I have not had any discussions. The matter was raised before my time so I will go back and see whether there were any discussions. But, yes, I do not object to the Committee making that recommendation.

The Hon. MARK BANASIAK: I have one question around the passenger service levy. Obviously you have heard or read Uber and Ola's suggestion that it be abolished. What is your opinion on that? Do you agree with them that it is a great financial impost on consumers that is driving down customer engagement? Do you believe that is the case?

Mr WING: It is certainly a cost for consumers.

The Hon. MARK BANASIAK: But is it such a cost that people are choosing not to engage in rideshare or taxis? That was the submission from Uber and Ola.

Mr WING: I would make the point that, despite the existence of the levy, the number of trips that consumers have taken in this industry has risen from—I think the department put some information in its submission—approximately 55 million before the reforms to about 75 million trips a year now. It cannot be a massive disincentive, I suppose.

The Hon. DANIEL MOOKHEY: Commissioner, can I ask, did you put a submission into the Sue Baker-Finch review?

Mr WING: I did not put a submission in. Ms Baker-Finch was really talking about a whole lot of broader issues, including questions around the assistance fund and so on. She did meet with me to ask questions. We provided answers to her questions about factual things.

The Hon. DANIEL MOOKHEY: I am just going from what Dr de Kock said to us in the previous session, which you obviously listened to, in which he outlined that her terms of reference were effectively to examine whether any additional forms of assistance were required. Do you remember hearing that?

Mr WING: She did not ask me about that. She just asked me factual questions about the industry.

The Hon. DANIEL MOOKHEY: In the conversations you had with her, you did not express the view as to whether or not any additional assistance was required?

Mr WING: That was a policy debate, so no. I expressed the view that I had requests raised with me by industry, which I then referred onto the department and then I referred them to her effectively, I suppose.

The Hon. DANIEL MOOKHEY: Did you ever express to her your views on the submissions you received from industry?

Mr WING: I expressed my view, which was that they generally said that they would be talking to the department and to her about those questions.

The Hon. DANIEL MOOKHEY: One of the things that your office does provide and publish is the New South Wales taxi license transfer prices.

Mr WING: Yes, that is right.

The Hon. DANIEL MOOKHEY: I am looking at your website now and it says that in August 2020 the average transfer price for a Sydney Metropolitan Transport District unrestricted licence was \$77,500. That is what your website says. Do you have that trend data by any chance?

Mr WING: We have the data over time, which is on the website.

The Hon. DANIEL MOOKHEY: Yes, on the website it only has August 2020. You used to have trend data on the website that you would publish over a couple of months. You have trend data for New South Wales outside of Sydney taxi licence prices, for the Newcastle Transport District taxi licence you have trend data and you also do for Wollongong. But for metropolitan Sydney you seem to only be publishing per month.

Mr WING: Let me go and have a look at that and see what we can produce.

The Hon. DANIEL MOOKHEY: I have seen it before. You used to publish it. Is it possible on notice that we can get the month-by-month average transfer price for the Sydney Metropolitan Transport District going back until when the reforms started in 2016?

Mr WING: The commission started in November 2017.

The Hon. DANIEL MOOKHEY: No, when did the reforms go into effect? The Act came into effect in 2016, did it not?

Mr WING: The commission commenced in 2017. The Act was passed in late 2016.

The Hon. DANIEL MOOKHEY: Can we get it back to the date of the commencement of the Act?

Mr WING: Yes. We will go and see what we can find.

The Hon. DANIEL MOOKHEY: If you want to give us any more, we will take that too. But at least that, so that we can see what the impact has been on the transfer prices for licences as well. Can I just ask you for a few other points of data that would be helpful? I have asked you this in budget estimates. What is the market share of rideshare versus taxis in point to point?

Mr WING: We do not have data on market share and that is partly because everyone has their own commercial information. I can say that there are a couple of reports that have been published. IPART has done surveys of the number of people who use the different services. The most recent survey reported that 51 per cent of people had used rideshare in the preceding period and 49 per cent had used a taxi service.

The Hon. DANIEL MOOKHEY: Perhaps I can rephrase and you can provide me with whatever information you know about this particular point. You said that there have been 75 million trips undertaken. How many of those were undertaken in a taxi service versus a rideshare service? Understanding the points you made before that they are often commonly both known as service providers. But from a layperson's perspective, to people with a thing on a roof versus the people you call on the phone, can you tell us how many of the 75 million trips have been performed through each of the different modes?

Mr WING: I think in this case we will need to go and talk to Revenue NSW and see what calculations can be done.

The Hon. DANIEL MOOKHEY: Which is what you said to us in budget estimates, to be fair to you. We then went and asked Revenue NSW and it told us that it does not keep that data. This goes back to the point that I think the Hon. John Graham was making, which is that no-one seems to want to tell us what it is. Whilst

that at times can be a point of frustration, we are getting to the point where we want to know what you can tell us about it. You licence them, you provide them with the platforms and you are the ones who give permission. Are you telling us that you have no policies to collect the amount of trips being performed under each of the licences that you are granting?

Mr WING: What I am saying is that the actual collections are done by Revenue NSW. We can talk to it about how to align the different reporting. It reports some stuff on its website, as you have seen. We discussed that last time.

The Hon. DANIEL MOOKHEY: You have the power to issue notices to produce, do you not?

Mr WING: Yes.

The Hon. DANIEL MOOKHEY: Have you ever issued a notice to produce to Uber that would tell you how many trips are being performed by Uber each year in Sydney?

Mr WING: We might be able to determine that information. The question that we need to discuss with Revenue NSW is around the secrecy provisions under the Taxation Administration Act.

The Hon. DANIEL MOOKHEY: Yes, I know all about those as well.

Mr WING: I am not saying that we would not. I am very happy to go and talk to Revenue NSW. I am just saying that—

The Hon. DANIEL MOOKHEY: We are asking you questions on a couple of levels, some of which would trigger the tax secrecy provisions. At the level of the taxpayer, it would, but it is actually not clear whether or not they are a taxpayer for the purposes of the levy. They are collecting it; they are not paying it. I am not sure that they do apply to Uber, Ola or any other taxi company or network either. That is the first level. But the level we are interested in is how much of the levy is coming from the rideshare component versus the rank-and-hail component.

Mr WING: I understand the question and all I can say is we will go and talk to them and see what can be produced, especially at that collective level.

The Hon. DANIEL MOOKHEY: Other aspects of the data would be useful. Do you by any chance have the task force report with you? Professor Sturgess's report?

Mr WING: I do not have it with me, no.

The Hon. DANIEL MOOKHEY: I am sure you recall one of the excellent pieces of information that the task force provided in its report was on page 121 at table 3, "number of taxi licences held by owners" and then at table 4, "ownership of licences by companies, individuals, networks and partnerships". On notice, can we get that updated?

Mr WING: Can I take on notice that I will go and look at that table and find out whether I can?

The Hon. DANIEL MOOKHEY: Let me put it to you this way. Can you go and have a look at the table, can you see whether or not you can update the information and, if you can, can you update the information?

Mr WING: If I can just take that as a general yes, I will go to the table.

The Hon. DANIEL MOOKHEY: There are technically three questions on notice. Yes.

The Hon. SCOTT FARLOW: Commissioner Wing, just picking up on some of those issues, with respect to what we have heard today in terms of wheelchair-accessible taxi licences, I think it was said that it is leading to an oversupply of taxis in some areas. Do you have any comment to make on that?

Mr WING: Yes. There has been discussion over time certainly in the industry about the numbers of wheelchair-accessible taxi licences. The process under the Act is that a person may apply for a wheelchair-accessible taxi licence and may receive that licence unless there is some special reason why not. For example, if they have a criminal history we suggest they would not comply with the law. But there is nothing—and I have no discretion under the Act—to refuse them on the grounds that there is some assessment of competition or service in an area. Each person makes their own decision about what they want to do. My understanding is that the policy behind that part of the Act is very much to encourage the rollout of these services to a group of people who are quite vulnerable and who would not otherwise have service.

People who need wheelchair-accessible taxis need wheelchair-accessible taxis. The general encouragement of that, to provide these on demand, is essentially to offset the fact that it costs quite a lot of money to put a wheelchair-accessible taxi on the road. People come forward and ask the commission for a

wheelchair-accessible taxi. They are entitled under the law to receive one and they will make a decision about what services they can provide. Once they are provided there are certain conditions on them. One is that they must use them to provide a wheelchair accessible service which meets the standards set in the Commonwealth disability standards and standards that we set.

The second condition is they must give preference to customers who need to use a wheelchair accessible service. We actually do oversight of that and we do actually ask people quite regularly to explain, especially if they have not been providing many services for wheelchair accessible customers, why they have not. We have actually cancelled seven licenses so far of wheelchair accessible taxi licensees who have not been preferring persons who need wheelchair accessible taxis. That is the general situation at the moment. We have had people approach us and ask whether the law can be changed because they would like new competitors not to be able to enter their market and get hold of wheelchair accessible taxis. Our response to that is we have no discretion over that. The general law is there. The policy is there for that reason. That would be the kind of thing that would have to be looked at in a review of the Act.

The Hon. SCOTT FARLOW: We have heard this morning of the different standards for rideshare compared to taxis. I think it was said that the vehicle age limits, for instance, that apply to taxis do not apply to rideshare. We also heard about the security within taxis that do not apply to rideshare. What are the reasons for that, if there are any? Why is there this inconsistency?

Mr WING: Firstly, in terms of the vehicle standards there are a significant number of requirements which are actually across all vehicles and they do not actually include the age of the vehicle. That may have been a mistake by whoever was asking the question at the time, but actually that is not a current requirement of the law. What is the requirement under the law is that all vehicles, whether they are hire vehicles or taxis, must carry out preventative maintenance in accordance with the manufacturers' schedules; all vehicles, whether they are hire vehicles or taxis, must get a pink slip every year, and differently from private vehicles they must get one from year one, so they do not wait until they are five years old; and all vehicle owners must also attend to any maintenance that comes up, so they do the preventative maintenance but they must also attend to any maintenance that comes up, and we expect all service providers, whether they are booking service providers or taxi service providers, to carry out proper oversight and checks to make sure that these things are being done.

Those standards apply across all vehicles. Those are the standards for looking after vehicles. There are—and I think this would have been raised before—some additional standards or requirements which are different, which largely go to the fact that taxis do rank and hail work as well as booked work, and booking service providers may not. That means, all booked trips have a record of the trip, and rank and hail is an anonymous trip. Some of those differences are, first and foremost a taxi must look like a taxi and there are a number of things involved in looking like a taxi. Conversely, a hire vehicle must not look like a taxi. For example, we recently fined someone \$1,100 for running a hire vehicle which had lights on the roof. The lights did not say taxi but as far as we were concerned it looked like a taxi, and that is the kind of things that we would take on there.

The Hon. DANIEL MOOKHEY: The London cabs model.

Mr WING: That is not the current London cabs model. What this person had done was they had decommissioned an old taxi, taken off all of the lettering and signs, but the light was still on top and, as far as we were concerned, that illegally made it look like a taxi. They were given a \$1,100 fine and notice to stop and to remove that. The second thing is that the taxi vehicles, because they have anonymous trips, are also required to have additional security features. There are three of those. One of those applies across the State and that is camera systems. If you take an anonymous trip then there is no record that you have ever been in the vehicle, but the camera provides a record.

The Hon. SCOTT FARLOW: On these appearance issues, we have heard in the Committee today some complaints about rideshare vehicles that do not have reflective signing. We have also heard complaints about rideshare vehicles operating effectively as rank and hail operators—I think the Manly rank was specifically mentioned. What sort of action does the commission take on this? Can you comment on any initiatives that the commission has taken or that address these issues specifically?

Mr WING: Yes, certainly. As far as retroreflective signs go, as far as I am concerned, every hire vehicle ought to have a retroreflective sign. We and the police both issue fines for these. I do not think I have got an exact number here, but many hundreds of fines would have been issued last year. My view on that is they have known for a while and there is no reason to issue cautions or warnings. They can just have a fine. We simply fine people who we find without their retroreflective sign in the back.

The Hon. SCOTT FARLOW: What does that constitute? What does it look like? I just walked down the street earlier and saw somebody driving an Ola and it seemed to be just a printed sign from an A4 printer. Does that cut the mustard?

Mr WING: We normally expect that it would be retroreflective, so that when you shine headlights on it they see it.

The Hon. SCOTT FARLOW: So a printed A4 sign probably would not cut the mustard.

Mr WING: We essentially give fines out to people who do not have the right kind of signs. Secondly, as far as dealing with issues at ranks, obviously I mentioned earlier what my priorities are, especially some of those safety priorities, but it is also important that we deal with the issue of ranks. We do not want to see people sitting and waiting on ranks. We have a number of things that we do around that.

The Hon. DANIEL MOOKHEY: When you say people you mean ridesharing service providers?

Mr WING: Sorry. I should have said non-taxis. Yes, you are right. Non-taxis waiting on ranks, or even really using them up given that there is scarce space. My staff do both overt and covert compliance operations at major events. We will attend major events, especially where you get a lot of traffic. We have started doing pop-up ranks, which is when we start getting complaints about an area we will take an existing rank and make it a secure rank at those complaint times, which means that we will be monitoring that rank at that time.

The fine that we handed out for a hire vehicle that looked like a taxi was due to a covert operation at Harrigans Pub up in the Hunter Valley. That is that kind of thing there. In the long run it is quite clear to me that we should be really taking advantage of technology. We have started trialling the use of cameras with AI behind them at taxi ranks. The benefit of that, of course, is that we do not have to have people there 24/7, we can just have the camera there. We have got a camera trialling at the moment at the taxi rank at Central station. If that works well we will look at rolling them out more widely.

The Hon. SCOTT FARLOW: In terms of that Manly example that has been raised a few times, has any specific action been taken there?

Mr WING: Firstly, I should say that Manly council has put what is essentially a drop-off/pick-up zone near the taxi rank. It is separate from the taxi rank and it is a two minute drop-off zone, essentially. People are allowed to drop off and pick up, but they are not allowed to sit there and wait on it. My compliance officers have visited—I think I have the number here—30 to 40 times in the past 12 months. Mr Banasiak actually called it to my attention at estimates and I gave it to my officers. They have been there 30 to 40 times. They have not seen people sitting there waiting for fares. They have certainly seen it used as a pick-up/drop-off rank, but we will continue to keep it on the circuit of places that we look at.

The Hon. SCOTT FARLOW: It has been raised a couple of times today, and through submissions as well, with respect to the regulation and the operation of 84 (a) in terms of no plying or standing for hire and how that is applied to hire vehicles and thereby point-to-point transport providers. Do you have any comment on that? I suggest that what is being said is that rideshare operators are not acting under the spirit of the law by, effectively, circling around the city all day waiting for fares and it should be something which is booked and they are leaving. What is your interpretation of that?

Mr WING: I suggest this is coming back to a debate over whether a hire vehicle should be required to return to base in between trips. There is nothing under the law that requires that. What they cannot do is sit and make themselves available for fares. They cannot really present themselves to passers-by that they can take a fare. In addition, the commission, to emphasise that, has made a ruling that they also cannot pick up someone from a spot where they are sitting and waiting. So they cannot sit and wait at a spot, take bookings at that spot and collect their person from that spot. But there is no requirement that they go back to base per se.

The Hon. MARK BANASIAK: You were talking about the covert cameras, or the cameras to pick up potential rideshares doing the rank and hail. Was that triggered by criticism from the taxi industry about that occurring? We have heard testimony today that they believe the commissioner finds it difficult to inspect rideshare vehicles, because they are not as obvious on the road as taxis are. Is the camera initiative you are talking about coming from that sort of discussion from the industry about the difficulty of identifying rideshare vehicles, as opposed to the ease of identifying a taxi?

Mr WING: It is coming from discussions with industry, definitely, but it is not for that reason exactly. If I could address the second one first and then come back to the first one, the question of identification—we identify and inspect hire vehicles and also taxis at a lot of different places. The taxis obviously see inspections going on at the taxi ranks, and only taxis are getting inspected at the taxi ranks. But vehicles are also getting inspected at a lot of other places, including some of the other pickup bays around the place, or they are getting

inspected as part of audits. We audit companies; we often ask to see some of their vehicles. They also get picked up in quite significant numbers at roadside breath-testing stops as well. A lot of the retroreflective sign fines can get handed out there, as well as other places. But the camera at the taxi rank is really more to do with how do we use technology to extend the reach of compliance officers, given the difficulty of stationing them 24/7 on different, highly utilised taxi ranks around the place.

It is a little bit like the question the police always face. They get asked, "Why didn't you have someone on the street corner to pick up the person who did 52 kilometres an hour past me down the street?" We have taken a leaf out of that book, which is to say one way of dealing with that is to extend our reach using cameras—the same way that speed cameras or bus lane cameras work. We are trialling this at the moment. If it works, we will look at putting it on major ranks around the place—especially those where there is a real shortage of space and where we really do not want to see problems where people are sitting there waiting who are not taxis. I will signal that if it does work, we may need to come back to the Committee of the Parliament to talk about some of the regulatory changes that would support that, in the same way that speed cameras or bus lane cameras get supported.

As you all know, one of the difficulties with cameras is that the driver commits the offence but you have identified the vehicle. What the regulations allow is that the notice—the fine—can be sent to the vehicle owner in the first instance and if it is not them who was driving, they will pass it on to the driver. I think we would need something similar to really make this work, but let us see how the trial goes. We want to see how that works. I think we are seeing a bit more now, because it was a little bit difficult. We started trialling it during COVID and there was not that much business, but we are seeing it come back now and I look forward to that.

The Hon. MARK BANASIAK: You mentioned bus lanes in your answer, and I was drawn back to the comments from Uber and Ola that they would like to see the ability of rideshare to use the bus lanes. We raised the issue of the difficulty of identifying when a rideshare operator would be using the bus lane as a rideshare, or whether they would be using the bus lane as an everyday driver. Do you have any comment on that proposal? Do you see it being feasible? Would you even be able to enforce that?

Mr WING: I do have some comment. Ultimately, I am not the final decision maker on this one but I do have some comment. I am not aware that anyone in Government that I have spoken to has ever contemplated permitting rideshare, or hire vehicles broadly, into the bus lanes, for the simple reason that there are lots of them and the bus lanes are supposed to be to make buses run better. So I am not sure there is any intention of doing that.

The Hon. SCOTT FARLOW: It is an ambit claim.

The Hon. DANIEL MOOKHEY: Yes, it is an ambit claim from rideshare. Mr Wing, can we talk about the issue of supply? Did you hear the evidence coming forward from various parts of the taxi industry that they would like a cap on the number of driver licences, effectively as a way to impose a cap on the number of rideshare vehicles that are permitted?

Mr WING: I did not hear that. I have heard from some parts of industry complaints that because there is a freeze on the number of taxi licences, they cannot get more taxis to put on the road in competition with their clients.

The Hon. DANIEL MOOKHEY: Trust me when I say we heard them this morning say that they would like there to be a cap on the number of licences that can be issued for people who wish to drive. To be fair to them, that is part of what they would push as part of a professionalisation of the labour force argument too. Do you have a comment on whether that is necessary?

Mr WING: It would be quite different from the current law, so that would be a policy discussion to be had. The current requirement is, essentially, that you must meet certain safety standards when you put on a vehicle, and a driver must also meet certain standards, but there is nothing in the law about a cap. That is a policy debate about industry structure.

The Hon. DANIEL MOOKHEY: You pay attention to what happens in other jurisdictions, do you not?

Mr WING: We talk to other jurisdictions, yes.

The Hon. DANIEL MOOKHEY: Which jurisdictions do you talk to outside of Australia?

Mr WING: We have had conversations in recent times with Transport for London. We would talk to other jurisdictions more in the sense of being part of general circulars of information.

The Hon. DANIEL MOOKHEY: Are you aware that there is a form of a rideshare cap in New York, or at least there is one that has been tried in New York City?

Mr WING: I have heard that there is one, yes.

The Hon. DANIEL MOOKHEY: Have you done any work or have you heard any information as to how that has gone for them?

Mr WING: We have not, but again I repeat that a change to the Act of that nature is a significant policy decision.

The Hon. DANIEL MOOKHEY: I accept that. It is a view that has been put forward to this Committee and it would be wise of us to utilise your expertise so we can assess the need for and effect of a cap. Do you have any comments on that?

Mr WING: My understanding is the cap in New York City—and specifically in Manhattan—was in relation to a concern about congestion within those streets, which is a slightly different thing to what I think, from what I hear, is being raised.

The Hon. DANIEL MOOKHEY: That is an argument that has been claimed by those who favour it for other reasons as well; that is probably how I would put it.

Mr WING: Yes. My understanding is that the reasoning behind the cap, as we just discussed, is the congestion issue. It is impossible to do congestion modelling by just looking at taxis and rideshare. You have to look at everything on the road. There has not been any suggestion here, though, that we have quite the same issues as in Manhattan.

The Hon. DANIEL MOOKHEY: How many people currently hold a licence to drive a taxi?

Mr WING: We do not have a separate taxidriver licence from others. We have a general requirement for a licence. Because one of the requirements in order to drive a point to point vehicle is to meet the commercial driver standards, the usual way of doing that is to get the passenger transport licence code [PTLC] on your licence. The last time I looked, there were in excess of 100,000 people who had had the PTLC added to their licence. It does not follow that they are all currently driving in this industry.

The Hon. DANIEL MOOKHEY: Does Transport for NSW have any way of knowing how many of those licences are active?

Mr WING: It is their general driver licence so they could be using it for ordinary driving.

The Hon. DANIEL MOOKHEY: Prior to the reforms, it was the case that drivers were required to identify themselves and their number. That was to be visible to passengers. Do you recall?

Mr WING: That is right, yes.

The Hon. DANIEL MOOKHEY: Is that still the case for taxis?

Mr WING: It is for taxis, yes. They must have an ID from the service provider.

The Hon. DANIEL MOOKHEY: Is that required for rideshare?

Mr WING: When the booking is made, information is required to be given to the passenger about them.

The Hon. DANIEL MOOKHEY: Through the app, effectively.

Mr WING: That is how it works with the app-based services, yes.

The Hon. DANIEL MOOKHEY: Do you keep data on the amount of people that have the cards that are required to be displayed in taxis?

Mr WING: No, because a service provider is putting that out as an identification.

The Hon. DANIEL MOOKHEY: As a result of the reforms, that is now effectively the responsibility of the booking service provider. Is that what you are saying.

Mr WING: I would point out that before the reforms, taxidrivers would have had an authorisation but it still did not mean that they were actually active.

The Hon. DANIEL MOOKHEY: I just want to get to what is the ratio of licence owners to taxidrivers. I believe it used to be six or seven to one: for every one licence, there were seven people eligible to drive the taxi. Do you have any information as to how we could effectively see what it is like now?

Mr WING: We could look for any information that is around. I think you would not be wrong in assuming that there is a multiple involved, yes.

The Hon. DANIEL MOOKHEY: Clearly. Part of the reason is that we are trying to get to the bottom of how many people are exiting taxis and entering rideshare, or exiting the driver pool altogether. Equally, in so far as some claim that drivers have had adverse income effects it is helpful to know over what pool. There is really nothing more in these questions other than the fact that it would be useful to have this data as we can assess it. Are you in a position to provide us with any information about that?

Mr WING: Let me see what we have, yes.

The Hon. DANIEL MOOKHEY: You said that right now there are 100,000 people with a commercial licence on their driver licence. I assume you are excluding heavy vehicles.

Mr WING: Yes, sorry. In excess of 100,000 people with a PTLC endorsement on their driver licence. That is not heavy vehicles, no.

The Hon. DANIEL MOOKHEY: That would qualify you to do what exactly?

Mr WING: Essentially to drive a point to point transport vehicle.

The Hon. DANIEL MOOKHEY: So a taxi or a rideshare.

Mr WING: Or a hire car or something like that.

The Hon. DANIEL MOOKHEY: Do you have a geographical breakdown or allocation of that 100,000? Are you in a position to get that for us?

Mr WING: I can ask the part of Transport for NSW that issues driver licences, yes.

The Hon. DANIEL MOOKHEY: Equally, are you in a position to tell us about the geographical disbursement of taxi licences?

Mr WING: We do have that data. I do not have it sitting in front of me but we can provide it.

The Hon. DANIEL MOOKHEY: Forgive me again for my ignorance on this but there is the perpetual licence class, the annual licence class and the wheelchair accessible taxi or disability licence class as well. They are the three classes, aren't they?

Mr WING: Historically there were a number of different kinds of perpetual licences, but yes, they were all perpetual. There were also 50-year licences and 25-year licences.

The Hon. DANIEL MOOKHEY: I am talking about the three current licence classes. There is perpetual, there is annual and there is wheelchair accessible, is there not?

Mr WING: I am just saying that there are a lot of different kinds of perpetual licences, but yes, there are also annual licences and wheelchair accessible taxi licences.

The Hon. DANIEL MOOKHEY: We learnt in 2015 through the task force data that there were 7,000 perpetual licences. How many annual licences are there?

Mr WING: I have that. I will see if we can pull it up before we finish this session.

The Hon. DANIEL MOOKHEY: I saw on your website that you are tendering them or you completed your July tender. Do you recall how many you issue a year?

Mr WING: It depends how many we are asked to issue each year. Transport for NSW determines the number. For the last four years they have only been determining replacement licences.

The Hon. DANIEL MOOKHEY: Replacement for what?

Mr WING: For those that have been handed in, for example.

The Hon. DANIEL MOOKHEY: If a perpetual licence is returned is an annual licence issued? Or if an annual licence is returned, is it effectively put back onto the market?

Mr WING: Usually it is an annual licence that is getting handed in. It could be a wheelchair accessible taxi licence but usually it is an annual licence. We will get those figures but there has been quite a sharp change in the number of annual licences in the past few months.

The Hon. DANIEL MOOKHEY: That is part of the reason I am asking you. I am also asking you because at the time that the task force recommendations were accepted, I think there was an announcement that there would be a five-year freeze or thereabouts on the issuing of new licences.

Mr WING: I think there was a four-year freeze.

The Hon. DANIEL MOOKHEY: I think you are right. It was a four-year freeze, which means that effectively the freeze has come to an end. That is part of the reason why more are being issued. That freeze was applicable from 1 July 2016, wasn't it?

Mr WING: Yes, except that this year the department again determined not to issue any licences because of the COVID situation.

The Hon. DANIEL MOOKHEY: How long has that decision not to issue additional licences lasted for, or is it not yet determined?

Mr WING: They determine it year by year, so not yet determined.

The Hon. DANIEL MOOKHEY: When will you be starting the assessment process for whether or not there is going to be a release of new annual licences? For that matter, is the department contemplating issuing any further perpetual licences?

Mr WING: I would suggest in respect of the second question that the department is not going to issue any more perpetual licences.

The Hon. DANIEL MOOKHEY: Ever again? It is not a bad thing, by the way. That is what was recommended by Professor Sturgess, amongst others.

Mr WING: It is just that the Act provides for the issuing of annual licences now. Transport for NSW usually would start that process a few months before. They have to make a decision by 31 March each year.

The Hon. DANIEL MOOKHEY: Just one final technical question: annual licences are not tradable, are they? They have to be returned for Transport for New South Wales to reissue them.

Mr WING: They are not tradable.

The Hon. DANIEL MOOKHEY: So they are incapable of being a store of wealth or value unlike perpetual licences. Is that correct?

Mr WING: That is correct.

The CHAIR: Thank you. That is the end of the questioning. Just before we finish for today, I note that the Committee has received an email from Mr Rogers from the NSW Taxi Council asking the Committee to seek clarification on some of the evidence from the previous session, which we will discuss as a Committee after this. I will just read onto the record the assertions being made here:

Representation on the panel by industry at the time of establishing the hardship criteria was not by the CEO of the NSW Taxi Council. Representing was through the deputy CEO. In that role the NSW Taxi Council on the panel through the deputy CEO was as an observer, with no ability to vote or decide. The deputy CEO was under a non-disclosure agreement [NDA] and could not discuss with the board or myself.

We will be considering that further but I thought that for reasons of procedural fairness it was good to have it in the same transcript as the previous session. That concludes the hearings for this inquiry. Thank you very much for your time. Some questions were taken on notice and they must be returned within 21 days. The secretariat will as usual be in contact about that. Thank you very much for your extended time at this hearing today.

(The witness withdrew.)

The Committee adjourned at 17:00.