

The committee commenced at 9.06 am.

Madam CHAIR On behalf of the committee I welcome everyone to this public hearing into taxi licensing and subleasing. I welcome to the table to give evidence to the committee Mr Kuldeep Singh and Mr Kamal. Khattrra. Thank you both for coming before the committee and we appreciate you taking the time to speak to the committee and look forward to hearing what you have to say today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and obligation not to mislead the committee does apply. This is a public hearing and is being recorded. A transcript will be made for use of the committee and may be put on the committee's website.

If you are concerned that what you will say should not be made public you may ask that the committee go into a closed session and take your evidence in private. The committee appreciates that this inquiry raises some sensitive issues so I ask that you request to go into a private session if you are concerned that what you would like to say should be kept confidential.

I also note that you should not make allegations about specific people in a public session. If you have information that is important for this inquiry that could damage the reputation of any person you should ask the committee to go into a private session.

Just to begin, for the recording, could you please each state your name and the capacity in which you are appearing.

Mr SINGH: This is Kuldeep Singh and my best contact number is [REDACTED].

Madam CHAIR: Are you appearing as a driver?

Mr SINGH: Yes, I am appearing as a driver.¹

Mr KHATTRA: My name is Kamaldeep Singh and my contact number is [REDACTED]. I am appearing as a driver.

Mr SINGH There are not many drivers who want to come here, because they fear they might lose their jobs. It has already happened so ...

Madam CHAIR: Thank you for that.

Do you have any opening remarks, Mr Singh? The format that we have been using is that I have been asking leading questions, members of the committee are asking additional questions as they go if something arises; it is quite fluid. Do you have some opening remarks you would like to put onto the record before we kick off in the question and answers?

Mr SINGH: Yes. I was wondering, before we start we should have a scope of all this public hearing, why we have gathered all of us. In my view, in drivers' view, it is the operators, beneficial parties, which include sublessors and sublessees versus the public elimination of corruption in CPV, if it exists we will have a chat on that in detail and in favour of hard-working law-abiding taxi drivers who are serving the community for so many hours a day, 12 hours a day.

¹ Committee Secretariat received a correction by Mr Kuldeep Singh on 28 July 2017 that he was also appearing on behalf of other drivers who could not be present and offered to provide a signed letter from the drivers.

So, I do not know how these questions have been brought up in the first place because it is the drivers' opinion, it is not my personal opinion. I am saying with full responsibility these questions we drivers feel a few of them are not appropriate and the questions could have been how the customer service can be improved, how the industry should be regulated, these sort of questions should have been included.

Anyhow, so we want to discuss all these four questions what is there on the meeting today, so this is what our agenda is.

Another thing I want to let the committee know is English is not my mother tongue. I might make grammatical mistakes or I might use some words which have more gravity, which I will not be using. I apologise before I start. I am a migrant in this country, so please do not take it like—I am targeting anyone or any department personally. There is nothing personal, it is all about asking for the rights we deserve.

Madam CHAIR: We have a list of questions. We have your written submission which we have been able to read. We would like to ask further questions of you that come from your submission. Or would you prefer that you make further presentations on the questions that were asked in the survey? The survey, for the record, was to ask questions that would start a discussion. Those questions were devised by the committee to get that discussion going—we felt would do that. From my perspective that has occurred. We have some discussion out of those questions. But we have further questions if you are happy to proceed along that way?

Mr SINGH: Yes, we are.

Madam CHAIR: You are?

Mr SINGH: I am happy to. You have questions you have out of my submission and we are happy to discuss that. We are happy to discuss on all aspects from the survey to everything.

Madam CHAIR: So, why do we not kick off with some questions from us to you.

Mr SINGH: Okay, yes, we will start with that.

Madam CHAIR: Then, if at the end you think there is something we have not discussed that you want to have a discussion about, then we can do that.

Mr SINGH: Thank you.

Madam CHAIR: One of the reasons for this inquiry was a concern about the allocation of licences without a ballot in 2015. Out of interest, have you read the department's explanation of what occurred in its submission in this inquiry? It went online ...

Mr SINGH: Yes.

Madam CHAIR: We have put up that information.

Mr SINGH: It went online the day it was published. So, I would like to ask the ...

Madam CHAIR: Could you explain that—sorry.

Mr SINGH: This went online when they published it. Right? There were a few documents which never came out before, like policy 5.20. I got hold of this policy roughly three or four days before it was published online—when it was a submission of the department itself.

Madam CHAIR: So you only found out about the policy due to this inquiry?

Mr SINGH: Yes. Correct. This is very important. This is just one little part of it. I want to know if the committee has gone through this policy 5.20?

Madam CHAIR: Yes, we have.

Mr SINGH: Okay. I have a few questions regarding the—if you have that available on ...

Madam CHAIR: No, I do not think I have it in front of me here, but everyone is familiar with that document. We have had a discussion with the department about that document previously.

Mr SINGH: First of all, I would like to know, in your opinion of whatever you have gone through all this—subleasing is illegal? What do you think?

Madam CHAIR: At the moment, the committee is of the opinion that it is not illegal. At the moment.

Mr SINGH: So you reckon it is not illegal?

Madam CHAIR: Well, I will explain to you about the committee. The committee is in an evidence-gathering mode at the moment. One of the things we have not been able to settle and agree on entirely is that it is illegal. At the moment, that is our position. But we have lots of deliberations to do. At the moment our view is that it is possibly not illegal.

Mr SINGH: Should I present a few of these documents to you? This is from the submission itself ...

Madam CHAIR: What are those documents?

Mr SINGH: These are not my documents.

Madam CHAIR: No, we already have all of those.

Mr SINGH: If you go onto the second link of the department's submission.

Madam CHAIR: Which document are you referring to?

Mr SINGH: It is the submission by the government—by the CPV department. It is the second link where they have submitted, page number 25—27 sorry.

Madam CHAIR: Do you want to read that out for us?

Mr SINGH: Yes. 'Subleasing of taxi licences. Subleasing of taxi licences will remain illegal and offenders will be prosecuted. The Department of Transport will continue to work with the taxi industry to stop illegal subleasing activities.'

Madam CHAIR: Right. We have seen that and are aware of the department's position at the moment. For this committee's mind, we have to ask the questions about whether we agree with that or not.

Mr SINGH: All right.

Madam CHAIR: So, that is a question for this committee during its deliberations.

Mr MILLS: Mr Singh, the issue here is we have need of an inquiry because there is confusion and lack of clarity around some aspects of these policies. So, our role is to gather information and to gain a clearer understanding so we can provide advice and recommendations to the parliament and then to the government.

Mr SINGH: Sorry to ask you, sir. I was wondering how come we got confused in the first place. There is no confusion in the law. That is what my personal opinion is. You might get this the law the Act itself confusing but the confusion has been created by the department itself because I have the proof to do that.

Have you got the news bulletin CPV38?

Madam CHAIR: Possibly in the submission.

Mr SINGH: CPV38 so you want to have a look at these?

Madam CHAIR: Just read it out if you like.

Mr SINGH: Alright. It talks about the management agreement. The Act does not talk about the management agreement. The laws says the transfer of responsibility to third party is against the intent of *Commercial Vehicle Act*.

Madam CHAIR: I think what we can do in the interest of making sure we do not get bogged down on this one particular point I think we can all accept that the committee would agree that there is some confusion and that that was some of the basis of this committee being formed. You are right in your assumptions that it is confusing and I think we could sit and talk all day about why it is confusing but what I need you to understand is that this is what we are doing. Our job is to make sure that it is no longer confusing.

Mr SINGH: All right.

Madam CHAIR: So if you are able to park that so we can move on otherwise we will talk about it all day and it does not get us anywhere. We have to consider that point as part of our deliberations.

Mr SINGH: All right, we will move on then.

Madam CHAIR: If you can accept that we understand that that is a problem that the committee has understood that that is a problem and it is one the things that is on our agenda to try to fix.

Mr SINGH: Right, so can we talk about what are the responsibilities what could be the responsibilities of a taxi operator? What could the responsibility be? Because as we said this is confusing we will let it go we will leave this question

We come on to the next part. What could be the responsibilities of a taxi operator—for example, paying the CVL fees, base fees and maintenance of vehicle and paying the driver—these are the only full responsibility an operator does. But under this news bulletin this CPV issue they say all these can be transferred to the third party. But on the other hand when it comes to the legal requirement when someone put up the application to know under which policy these licences were issued they came up with the answer that the department position that subleasing of taxi licence is contrary to the intent of (inaudible) commercial transport act and action will be taken against operator who were found to have transferred any operational responsibility.

Madam CHAIR: Could we agree again that this is an area of confusion?

Mr SINGH: But here it says 'any responsibility'.

Madam CHAIR: The committee is well aware of the fact because it is in the submission from the department we are well aware of the confusion. That is obviously another area that we are looking at.

Mr SINGH: Okay, let us come to this policy 5.20. I would like to highlight to you just two or three points of it. This policy is completely made for the people who were fulfilling the responsibilities of a taxi operator when they did not have a licence and this policy clearly says it is for someone who has driven the taxi or operated a taxi for two years and is not holding a licence in whole of Australia or in Northern Territory. So, how come a person can operate a taxi if he is not holding the taxi plate? How can someone operate it?

Do you accept this policy is ...

Madam CHAIR: Once again, that policy is being considered by the committee as part of its investigation.

Mr SINGH: Investigation to know who benefit just a few officials, or not officials—sorry, well, you can say that. There must have been some personal gains by govt. officials and few individuals as well. It is a matter of investigation though. Just to benefit a few individuals to get the whole of these plates.

Madam CHAIR: At the moment that document is with the committee as part of the department's submissions, and we will consider it.

Mr SINGH: Okay.

Madam CHAIR: We will also consider your comments against it. So one of my questions here was to ask you, what is your response to the department's explanation of that? So I am glad that you have raised it but I will let you know that we are considering that as part of the evidence that we have got before us.

MR SINGH: Another point I would like to raise regarding this, because four licences were cancelled in Alice Springs due to involvement of drug offences by the taxi plate holders. So, I was wondering, this policy is asking for a statutory declaration from people who are behind the bars and the policy is talking about—and the director trusts those people who are behind the bars who have been branded as criminals by the court. How come the preference can be given to such people who are behind bars over the hard-working law abiding drivers? Some are like myself, who are driving hard, and we are not subleasing, so this is another point.

Madam CHAIR: Okay, obviously this is a recorded committee hearing, so your comments on that have been recorded. So we thank you for that. Could I move you to discussion about the cap? Sorry, do you have a comment to add?

Mr KHATTRA: Yes, on the same policy. In this letter the department is saying—can I read?

Madam Chair: Sure.

Mr KHATTRA: ‘Subleasing of taxi licence will remain illegal and offenders will be prosecuted. The Department of Transport will continue to work with the taxi industry to restore legal subleasing activities.’ All right, that means according to the department, subleasing is illegal. In this policy the person provided documentation indicating a subleasing agreement with the licence holder and that they had invested considerable money in the (inaudible). In this policy, who showed the plate showed a sublease agreement. According to the department subleasing is illegal. Why have they given the plates to who showed subleasing agreement, that time, in this policy?

Madam CHAIR: Well that is not a question for us to answer for you; that is a question for us to consider as part of our delegation ...

Mr KHATTRA: Yes, please consider that. That mean ...

Madam CHAIR: Thank you for your comments.

Mr KHATTRA: ... who are doing the illegal activities. Another, in this this policy is that they are saying, they were experiencing financial hardship. Definitely if they did wrong, they deserved it. And why have they given the plates to them?

Madam CHAIR: Okay, so we will take your comments on that matter into consideration.

Mr SIGNH: Yes, I will add another thing. The department has misled the whole of this scenario. If you are thinking the licence is being awarded under this policy, please let me tell you, you are wrong. The four licences have not been issued under this policy. If you look at the submission they have done—page 16 to 19. The people who are in the financial hardship, the people who got the plates, they were out of the scene since 2013, and the licences were issued in 2015.

What happened was, someone else bid higher to get the plates on sublease. So the taxi plate holder took the plates off the sublessee and gave to the person who bid the highest. When the plates where cancelled three plates came off a vehicle which a person was driving—I cannot say his name. That person paid \$18 000 to the other party two years ago, or whenever he paid him. He paid \$18 000 for the damages because he had his vehicle left without a plate. So he has his three plates. That person paid \$18 000 and he left his three vehicles, and he was the more deserving person under this policy but still the plates were given to someone else. Why were only those individuals chosen? This is the point of the inquiry under investigation.

Madam CHAIR: Okay. Thank you for your comments.

Mr KHATTRA: It also should be published because I am here for the last nine years and I do not see any policy. When they make it, in the democracy it should be published.

Madam CHAIR: Thank you. We will take that point on board.

Mr KHATTRA: Yes, please.

Madam CHAIR: Regarding the cap. I want to discuss the cap. In your opinion, if the cap stays in place, would you tell us how you think licences should be allocated?

Mr SINGH: The first question is I do not know why there should be a cap on the licences.

Madam CHAIR: Let us just say hypothetically the cap is in place—our recommendation to government is the cap stays in place. I am not saying that is our recommendation, I am just saying hypothetically. How do you think then that taxi licences should be allocated?

Mr SINGH: If you want to leave the cap on the taxi numbers, it should be going only to the professional full-time taxi drivers who are on the roads. If you want to put the cap on the plates and you want to keep going on with the current system, it means you are creating a value for the plate for the person.

For example, if someone is holding four plates under his name. I am not allowed to say any name or anything. I know a few people who are working on very prestigious jobs who are having their own business because they are just holding plates. They are sitting at home and getting the money just for holding the plates under their name.

Madam CHAIR: Do you think there should be a limit on the numbers of plates that a person can hold?

Mr SINGH: No, there should not be any cap on the overall numbers.

Madam CHAIR: So, your view is you can hold more than one plate?

Mr SINGH: No, the one person—they should be cap on and let you hold one plate.

Madam CHAIR: One plate, one person?

Mr SINGH: One person.

Mr KHATTRA: One person.

Mr SINGH: One plate, one person. But there should be no cap on the taxi licences because it is a direct loss of revenue for the government itself.

Madam CHAIR: Okay. So, your view is no cap. I am noting that down so we can keep moving forward.

Mr SINGH: Yes, no cap at all. It is not only my view, it is the view of most of the drivers.

Madam CHAIR: But if there was a cap, do you think the ballot system is okay to continue with—if there is a cap?

Mr SINGH: Yes, only yes if there is a fair system. What the fair system means it is very important to understand. If we let whoever is subleasing at the moment, they might go back to the ballot again. They will win all these taxi plates. Because when the ballot happens, it does not happen in the favour of the taxi drivers. The ballot is there to favour the subleasing holder who are already subleasing the taxis.

For example, in the last ballot, if you look at the record and if you ask the department to go through their details, they were already subleasing two taxis from someone, from the taxi plate holders. So, they are already existing sublessee. If there is a ballot, there should be a database to stop current sublessee going to the ballot. It is very important, because that person will go back again and win the plates again in the ballot.

Madam CHAIR: Okay. Gerry has a question.

Mr WOOD: Mr Singh, if they do have a ballot, do you think it should be based on a waiting list? In other words, those people who have been waiting for a long time to get a licence should be able to be first up, or do you think it should be a random ballot?

Mr SINGH: It should be random—whoever is driving for more than one year or something. What happens when there is a ballot—last time, they put a condition of five years. But here in the law—in their submission on the second link—you can see no mention of someone must be driving for five years. There are only a few individuals who own plates. Do not think the CPV is run by the government officials, it is run by the big fat cats out in the market. They are running the whole CPV. So, they are the ones who put up these conditions.

Mr WOOD: But if I have been waiting for 10 years and I have never had my name come out of the ballot, should I have a preference over people who have only had their name in for a short period? If I have been waiting 10 years and under the ballot system I never got my name pulled out, should there be a system which says ...

Mr SINGH: No. I would say no because everyone stands a chance. If there are only, say, 250 taxis there are 700 or 800 drivers. You know, someone like me—I have been in for only two years—I cannot be waiting five years to get a taxi under my name, why should I be waiting for five years? I have the right to make the dollar for my family.

Mr WOOD: So does the person who has been waiting ten years.

Mr SINGH: This is the thing. They should be raising voice against the subleasing, against all these illegal practice going on in the market. If someone is not putting their hand up and not shouting for their rights, they deserve it.

Madam CHAIR: I would note that this committee exists because people have raised their voice, so I think we can park that as a view. There are lots of voices and we are hearing lots of different voices.

Mr SINGH: But it has been happening for quite a long time, I do not know whether you are aware of it or not? It has been happening for a long period.

Madam CHAIR: I might move to that if I can. Gerry, did you have any further questions?

Just on that. We have heard from a number of sources that subleasing is widespread across the Territory, not just in Alice and Darwin probably mostly Alice and Darwin but are you able to provide the committee an estimate of how widespread you think that subleasing is in Darwin. I am purely asking for your opinion and your best guess.

Mr SINGH: The best guess-it is not a guess it is proof. Only licences were cancelled and only six licences were given under the policy 5.20 and all the licences were given to people who were subleasing. It was 100% in this case. I would say nearly 80% to 90% at least. There are only a few plate holders who are driving taxis, operators out there and under this

policy it is a fact that it was 100% went to the people who were subleasing at that point or in the past.

It clearly shows how widespread it is.

Madam CHAIR: So once again I will ask you to think about a hypothetical situation. If subleasing does continue do you believe it should be regulated? I am asking for your opinion.

Mr SINGH: To be honest, this is a very painful question subleasing. We drivers, sole drivers, we, I will mind my language, we take it as a rape. The persons who are driving taxis under the law, they have been raped by taxi-plate holder and the sublessee. They are the ones squeezing the hard-working man on the grassroots level who is law-abiding and the CPV is awarding them with plates.

If you think it is, this question is asking someone, a rape victim, to rape be legalised? In my view, we are completely against it. There is no way the subleasing of taxis should be allowed.

Another question I have—this is one aspect. Let us talk about if subleasing is legalised, what will happen? I will get a taxi plate from the department so will the government set up any mechanism to—because then it will go out for bidding. Who will be winning out of this? The government will be losing.

If that is the case the government put a bid on it, on the plates. Whoever will bid the highest they will get the plates.

Mr WOOD: Madam Chair, could I ask a question?

Madam CHAIR: Yes

Mr WOOD: You are a taxi driver?

Mr SINGH: Yes.

Mr WOOD: So what system do you work under? Do you work under a sublease or a bailment? Or do you know the difference between the two?

Mr SINGH: I know the difference.

Mr WOOD: So which one do you work under?

Mr SINGH: Bailment. I do not have a taxi—if I have a taxi, if I am a sublessee I would not be here. That is why I am representing the sole taxi drivers.

Mr WOOD: Do you think you should there should only be bailment as the only form of a driver working for a person who holds the plate?

Mr SINGH: Yes.

Madam CHAIR: And that is a nice lead-in to my next question because in Western Australia the maximum rate a licence holder can charge a driver for a 12-hour shift under a bailment is set by government. Do you see a benefit or a disadvantage of capping the rate a driver pays a licence-holder for a shift, or a bailment agreement?

Mr SINGH: I do not know why it has not been adopted here that model. For example, myself; let me explain to you my situation.

Madam CHAIR: That would be great.

Mr SINGH: I am new to this country. I migrated here just a couple of years ago. I am a permanent resident and I have two children. If I put my children in day care, I will be paying \$200 a day for two children, so it means \$1000 a week. If my wife goes out for work she would not make that much money, you know? \$1000 after taxes. So it is pointless.

So what I have to do is, I am working extra hours to make both ends meet. So I have no option. So, when I am working for a person who is subleasing that taxi, for the subleasing I am paying 50% of my earnings. I am working 16 hours. Yes?

In my submission, if you have that very long—it is like six pages, if you have that ...

Madam CHAIR: Yes, I have it.

Mr SINGH: I have put up all the calculations in it. I do not know if you have considered the social and economic impact of all this subleasing on the public or the drivers. For 72 hours of work, I am getting \$750. Someone like me, who has two children and a wife—I am the only breadwinner—how can I survive on such little money. And when I am working 72 hours a week?

I do not know where you are pushing all these taxi drivers to. They will definitely do something wrong, which is not correct. They have been forced to do this. This is not me only, this is the voice of each and every single sole taxi driver who is working under the bailment agreement.

Mr WOOD: We heard in Alice Springs that people generally work under the bailment agreement as 50%. The takings are shared 50% and the cost of fuel is 50%. Is that correct?

Mr SINGH: Here it is as well. The only time we get free fuel is ...

Mr WOOD: No, half and half. It is split in Alice Springs half and half.

Mr SINGH: Yes, here we lose 50% as well ...

Mr WOOD: And half and half for the takings.

Mr SINGH: Yes. But when it comes to expenses for the fuel, we will only get free fuel if we make more than \$400 a day. So, we are being pushed to work longer hours to reach that level. This is a very important point because this is putting at risk the taxi drivers and passengers. Because we have been pushed that if we touch \$400 a day, we will get free fuel. Just for \$30.

I can give you an example with the taxi plate. Taxi 350 had an accident. The driver was behind the wheel. He fell asleep and the customer was asleep as well—he fell asleep. It was an accident. Luckily both of them survived. So, what we are talking about, the 50%, it is basically compromising the safety of the passengers and the drivers as well because they have been pushed to reach a level which is very hard. On a quiet night, it is not easy to make \$400 a day.

Madam CHAIR: Okay. In the interest of time, I want to keep rolling. We have asked you a couple hypothetical questions. I want to ask, on the other side—because there are different views amongst drivers on removing the taxi licence cap—about concerns that removing the cap may lead to an oversupply of taxis. Can you estimate, again in entirely your own opinion, what proportion of taxi drivers do you know already, who do not hold a licence currently, how many of those would apply for their own licence if the cap was lifted?

Mr SINGH: If you are saying that, definitely there would be many ...

Madam CHAIR: Hypothetically.

Mr SINGH: This is very close to reality as well. I want to talk about it. If we lift the cap, there will be many drivers like me—we will have our own vehicle—but do not forget the people who are holding 10 or 15 plates, who will drive for them? They will have no drivers because one person is holding 10 or 15 plates. It is leading to using illegal workforce to drive their taxis.

Madam CHAIR: Am I to assume from that, what you are saying is the number of cars on the road would not change a great deal because there will be cars left without drivers?

Mr SINGH: Exactly. And those people who are sitting on their couch and getting \$2000 after everything, they will not get it. So there will be drivers who will drive for themselves. This is one of the best paid jobs in Australia and because of the greedy mindset of a few sublessors and sublessees, it is the least paid job in Australia. This is a very important point, you know.

Currently, a driver makes \$2400 a shift for up to a 12-hour shift. One person makes around roughly say \$2400. I guess the current whoever is representing them the taxi industry or whatever they are misleading like that we are not making enough money. We are making enough money. If the sublessee is paying \$10 000 to the taxi plate holder he is paying \$20 000 off CVL fees and driver is taking away 50% and he is still buying luxurious cars worth properties worth millions of dollars then definitely it should be taken in that regard.

There is money so if we lift the cap there will be those big people who are holding 10 plates, they will be in trouble not the taxi driver, someone like myself. We are working hard; we will make a dollar end of the day.

Mr KHATTRA: According to me there will be no big difference because in Darwin at the moment, like one operator has more than 10 taxis. Definitely when we will get on and they will return it and the ratio will be the same.

Mr SINGH: There will not be big difference in the number of taxis in the market.

Mr KHATTRA: No.

Mr SINGH: I personally think the government should not be concerned about the number of taxis in the market. It is more revenue for the government; why do we not take it that way? That is the recommendation of steering committee as well, because in the steering committee they said that revenue should be generated through the CVL rather than charging the customer. The point should be noted we are ripping \$1 off every single customer most of them 70% of over customers are Indigenous people—we are putting \$1 levy who are relying on Centrelink, so that \$1 levy cannot be justified.

Madam CHAIR: Is that the levy for the use of the BasicsCard to be cleared, is that what you are saying?

Mr SINGH: For everyone. That \$1 levy is for every single ride one will have in their...

Madam CHAIR: The Uber proposal?

Mr SINGH: Yes, when Uber will come.

Madam CHAIR: Not currently, okay. I just wanted to ask you a question about enforcement if I can? One of the problems that has been raised with the committee previously is a lack of enforcement of the existing rules. What issues do you think need better enforcement and how do you think the enforcement by the CPV Act can be improved, just broadly without going into specifics?

Mr SINGH: Well, I guess under the current CPV administration it is impossible to enforce the laws. If we are talking about enforcing the laws it clearly shows that the law has not been enforced properly. Why they have not been enforced—there must have been personal gains or personal interest behind not enforcing the laws. Why are the taxi plates given to someone who is not able to drive a taxi properly?

For example, that person who is disabled—I am not discriminating against someone's disability—I am completely against it but just think, I have two children I will not put them behind the seat of disabled driver—just in case why do we have fire extinguishers in our car? If just in case there is a collision or there is an accident so if there is a fire so we can put it out. If a person, just think of a situation, if they are children, if a taxi driver who is disabled and he has children in his car and there is a fire in the car how would he control such a situation? How would he go out and put out the fire or how would he help the elderly or children on the back seat to get them out of the taxi? Are we waiting for an accident to happen? Are we waiting for someone to die in such case then we will wake up? These are very important questions. It is directly related to the safety of customer and for the driver as well.

Madam CHAIR: Your view is that there is a lot of it is not happening but it is impossible for it to happen at the moment with the things as they are—that is what your view was?

Mr SINGH: Yes, my view it is the enforcement of these laws under the current CPV administration is impossible so I clearly say with full responsibility there are CPV officials are acting for their own personal gains and interest and there should be an investigation. I have the proofs if I am making a complaint of subleasing a taxi why are they not taking action on it, why are they telling me I am working under the bailment agreement? Yes, I am working under the bailment agreement but the bailment agreement is always with the taxi plate holder not with the third party.

I was driving for third party I lost my job and I will not keep my voice down. I will tell everyone what is happening in the industry.

So the bailment agreement; when we go to the department and tell them this is the person, he is the sublessor and he is the sublessee they say no. You are working on the bailment agreement. I have got the proofs. I can show you. I ask them, 'Can the bailment agreement be done with a third party?' And they do not want to respond.

You can see the stubbornness of the department itself, how long it took them to answer the emails when they issued the licence under this policy. Do you think they can enforce laws? The people—I even doubt when it was—existed at that time Policy 5.20. Do you think the

current administration can give us the justice, they can not listen to our voice? No. They are completely corrupt.

Mr WOOD: Following up from Alice Springs, we spoke about whether bailment agreements should be written or verbal. Is yours verbal or written?

Madam CHAIR: Your current bailment: is it written or verbal?

Mr SINGH: Yes, it is completely verbal. It cannot be written.

Mr WOOD: The question then is, should all bailment agreements be written?

Mr KHATTA : Yes, definitely. Otherwise they ...

Mr SINGH: How would I know, because I was driving—someone told me okay, I have a taxi to drive for you so I am driving for him. How would I know if he is the real owner? The bailment agreement, one copy of the agreement should be given to the driver, the other copy should be kept by the taxi plate holder, but how come the third person is jumping in?

They say he is just the manager but if I am working as a manager in Coles, in McDonald's, I will not have that money going into my personal account or in my company's account. This is the most important link to find out who are the sublessees but the departments says they cannot go to bank, to the cab charge machines. They cannot get details, they cannot contact the ATO to get who is paying the taxes for that. There is tax fraud as well, which needs to be investigated. All these should be referred by the Legislative Assembly to ATO to look into what fraud has been done. The money has been siphoned out of this country illegally.

This is a very important question. There should be audit how many taxis, who was holding it and all these details can be pulled out just within one minute.

I have got details where I worked, I have got the details where the money was going to, why the CPV cannot get hold of that information? They are just completely fooling us around.

When I made the complaint they asked me to come over, we will have a chat. When I went there they told me a bunch of lies which is completely against the law and when I said, okay, whatever you told me I am going to write back to you that in the e-mail. I wrote them back an e-mail whatever they told me and he (Kamal) is the witness of that and they never replied back to that. They know what they are talking is completely ...

Madam CHAIR: We have all made some notes around that and we have got that on the record so, because we have another group coming in now—I am sorry, I cannot take questions out of the gallery.

Lastly, I will just ask my colleagues, does anyone have any further questions?

Mr MILLS: It has probably been difficult this because we have an inquiry because there is evidence of a problem and so we are gathering information so that we can then properly respond. Your information has been quite useful for us.

One thing that came up in Alice Springs which I suspect is the same issue here is that if a ballot is to occur it should occur fairly and clearly in a manner that is going to reinforce good standards within the industry so what you propose to be the qualifications of someone who enters a ballot? What are some of the standards that do you think, so there are clearly defined standards? If you want to go into a ballot, there should be clearly agreed standards

that a driver or anyone who wants to get a taxi licence holds. What do you think those standards should be?

Mr SINGH: I have that, the submission from the government. This is the current eligibility for the ballot. This is in the submission. This is the printout from the submission itself.

Madam CHAIR: That is from the last ballot to be cleared?

Mr SINGH: This is the current as well. The thing is, first of all going to ballot is a big thing. Most of the drivers they do not let them hold the accreditation many times.

Mr MILLS: With respect, sir, we are aware that there are problems with the existing system, but we are now talking about a proposed system and we would like your input on what you think the standards should be.

Mr SINGH: Right.

Mr MILLS: Assuming it all works well.

Mr SINGH: Okay, all right.

Mr MILLS: We are taking information in order to make recommendations. So, we would like to hear from you what you think the standards should be for a suitable qualification for someone who is aspiring to be a licence holder.

Mr SINGH: One year of experience in ...

Mr MILLS: One year of experience?

Mr SINGH: Yes. And the one who is holding CPV ID—the CPV ID is the ID which we display—regardless of how many fines they have. We get fines if the car is a little dirty. If it is raining, we get the ticket. So, if sometimes we go out for a pee and we park our car in the wrong place, we get the ticket ...

Mr MILLS: So, one year experience ...

Mr SINGH: When we are considering for good behaviour or something, these things should not be counted.

Mr MILLS: Okay. Anything else?

Mr SINGH: Whoever is holding a valid licence and CPV ID with one year of experience—nothing else. When they put up conditions, they come with tags like the person should not have points from their licence ...

Mr MILLS: You have made that—we do not have a lot of time. Any other attributes of a person who is aspiring to enter into the ballot—such as having completed course and training ...

Mr SINGH: Oh, yes.

Mr MILLS: ... levels of English ...

Mr WOOD: Traffic offences?

Mr MILLS: ... having character references? We need that sort of information.

Mr KHATTRA: Yes, fit and proper. We have to follow strictly fit and proper according to the CPV because now the CPV does not follow that. Should we follow fit and proper, medical? As well, if government or CPV department has given us a plate, I should drive 30 hours in a week, according to ...

Mr SINGH: Whoever will get the plate, there should be ...

Mr MILLS: Oh, I see. I understand.

Mr SINGH: There should be a ...

Mr KHATTRA: According to (inaudible) I have to sit in the car, not like sitting at home and—because I must drive like full driver.

Mr SINGH: You must drive full-time. This should be in the criteria itself when it comes to eligibility.

Mr MILLS: Okay, thank you. Any other aspects do you think need to be dealt with?

Mr SINGH: I think the driving offences when we are on the roads, they should not be considered. If the CPV would think the person having too many driving offences, then he should not be driving the taxi. Then the CPV ID should be cancelled. As long as someone is holding a valid licence or ID they should be allowed to operate a taxi.

Madam CHAIR: Okay. We have run out of time. Thank you, gentlemen, for your submission today and for appearing before us. If you have anything further you want to add, I encourage you to put it in writing and send it through. You already have the addresses. There are some administrators at the back of the room if you would like to provide them with anything.

Once again, thank you for your time today.

Mr KHATTRA: Thank you.

Mr MILLS: It was excellent.

Mr SINGH: Thank you so much.

Mr MILLS: It was very interesting.

The committee suspended.

Madam CHAIR: On behalf of the committee, I welcome to this public hearing on taxi licences and subletting representative from the Blue Taxi Company, Mr Terry Pachos. Thank you for coming in today. We appreciate the time you have taken to speak to the committee and look forward to hearing what you have to say today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee applies. This is a public hearing and a transcript will be made for use of the committee and may be put on the committee's website.

If you are concerned that what you will say should not be made public, you may ask that the committee to go into a closed session and take your evidence in private. The committee appreciates this inquiry raises some sensitive issues, so I ask that you request to go into a private session if you are concerned that what you would like to say should be kept confidential.

I also note that you should not make allegations about specific people in a public session. If you have information that is important to this inquiry that could damage the reputation of any person, you should ask the committee to go into a private session.

To begin with, could you please state your name and capacity in which you are appearing?

Mr PACHOS: My name is Terry Pachos. I am the director of the Blue Taxi Company.

Madam CHAIR: Would you like to make an opening statement, Mr Pachos?

Mr PACHOS: Yes. I am largest operator in the Northern Territory over two decades. I would like to go to the issue about alliances of operators. We have already accreditation and it applies when you have criminal check, you have operator qualification in Melbourne—I done it and I can provide to the committee, criminal check and the same time also the standards that we have in the Northern Territory over 37 years I am here in Darwin.

No-one has asked us for anything else but the criminal check it was applied, definitely, and the operator accreditation.

Every operator, everyone knows the taxi operator. For example, some people say that I do not know them, this taxi operator if he is taxi operator or not. The taxi operators in the Northern Territory, everyone knows them, somehow. Everyone knows them, why everyone asks them for a job.

At the same time we have accreditation for the government from here. If someone ask us we can provide that accreditation. I do not see any issues and CPV is checking, is checking very hard. I can say myself very fair, do not see anything that CPV should do more whatever he do.

Madam CHAIR: I had a question and it just disappeared. It will come back to me.

Terry, are you happy with us asking you some further questions today, and then may be other questions that come as we have—it is just a way of leading a discussion is to have those questions ...

Mr PACHOS: No worries, you are welcome.

Madam CHAIR: Actually, the question has come back to me. You were saying that currently there are the two—so you have got to have a licence and the police checks and those things were happening. Do you think there is anything else that perhaps the government or the CPV could ask for operators to have?

Mr PACHOS: Yes, they can ask for example for training the operators. Before you be an operator you have to take training, this training takes place in Melbourne at the moment. I

done it myself, I go to Melbourne and done this training myself to see, by curiosity to see what I miss out, what I do not know and I find it was very interesting. This is what we miss out.

Madam CHAIR: So training, in order to have a plate, you should have the training. You think that is a good idea?

Mr PACHOS: That is a very idea, yes.

Mr WOOD: Through the chair, could I just ask a general question? Who is the owner of the Blue Taxi Company?

Mr PACHOS: My name is Terry Pachos. I am the owner for the Blue Taxi Company.

Mr WOOD: How many plates do you own?

Mr PACHOS: Myself, the company has 67 plates, and myself I got 23 and 5 minibuses: City Palmerston Mini Buses. With the single operators in Palmerston we have 16 minibuses, and 52 taxis.

Mr WOOD: Do your drivers sublease or have a bailment agreement?

Mr PACHOS: No is bailment agreement. We no subleasing.

Mr WOOD: So all your drivers ... and do you drive yourself?

Mr PACHOS: I used to drive yes, but not anymore.

Mr WOOD: I just wanted to get some background.

Mr PACHOS: No worries, you are welcome.

Madam CHAIR: We might just move to the ballot system as it is. Do you think that is the only way that taxi licences should be allocated? If not, do you have any alternate ideas?

Mr PACHOS: If you ask I have a taxi they need—you can use this area that is okay; that is fine.

Madam CHAIR: You are happy with the ballot? Do you think there should be a limit on the number of licences that people can hold—I mean we have just heard that you have a number of them yourself so I am thinking the answer is no.

Mr PACHOS: Yes, the answer has got to be no. We have to have standards, like Australian standards. We have 900 people per taxi. The problem with—I can go a bit further about customer service if you want to tell you how we can provide better customer service in the Northern Territory.

Does the goal we achieve and does we try to do now? The customer service from us, the way we see, we have to provide and create more new drivers on the road. The first time in the history we have the training take place by the operators by the taxi industry for the taxi industry, and this one they give us the chance to train the drivers as taxi drivers. We are not doctors; we are not farmers; we are taxi drivers. We train them as taxi drivers, and that means the process will go more quick.

They learn whatever they want to learn and to be on the road, and the same time all the taxis on the road. That is why later if you see, if you check the last one month, we have not many complaints. The complaints reduce by 90%, and if we want to reduce by 99% still we can do that. One, increase sub cars. We used to have before 20 years ago, we have the sub cars 10 years ago, we have the sub cars, the sub taxis.

Madam CHAIR: Could you describe for the committee what a sub car is?

Mr PACHOS: Okay, that some taxis we used to use if the taxi broke down the taxi replaced the original taxi.

Madam CHAIR: Okay, thank you.

Mr PACHOS: Then every Thursday, Friday, Saturday it was on the road on the busy time.

Madam CHAIR: Like a peak period additional cab?

Mr PACHOS: Yes, just like that. We used this. It was covered definitely all the Northern Territory we never had a problem. The problem was over.

Madam CHAIR: Who held those plates for those sub cars?

Mr PACHOS: Every single operator is allowed to have one sub car two sub cars so they can put on the road for example, why we have the sub cars the sub cars we have in case if my taxi broke down or what to like to do service to this taxi I put the sub car on the road. This is the process.

Mr WOOD: Who drives the sub taxis on a busy Friday Saturday?

Mr PACHOS: Any taxi driver. Any taxi driver can drive them as long as the process on the CPV they give you every Thursday, Friday and Saturday you are allowed to drive the sub car from six o'clock in the evening to six o'clock in the morning when it is the busy time.

Madam CHAIR: Could we just talk a little bit about subleasing if that is okay Terry?

Mr PACHOS: Yes.

Madam CHAIR: Could you tell us obviously we have become aware that there is subleasing whether it is illegal or not illegal this committee is aware that it is happening in the industry. Do you in your view think there are any benefits to subleasing?

Mr PACHOS: No, I do not. The subleasing is something some people that does not want to take on the responsibilities as operators. Operator responsibilities it is to look for example, maintenance, services, check taxi drivers, make sure to follow the rules and regulations and follow those, how can I say, the base rules as well and also follow the complaints.

I believe that subleasing is not fit. For example, if someone comes to us with a subleasing vehicle, the taxi will be not fit. They need to make more money for subleasing and will never do the service of the vehicle—never change brakes or do anything. So what happens? These taxis are on the road, for some reason.

Madam CHAIR: Can you tell us how widespread you think subleasing might be in the industry? Obviously, you are a director of a company that has a lot of taxis working for you. How widespread do you think subleasing is in the Darwin taxi industry?

Mr PACHOS: Subleasing is no good here. It is ...

Madam CHAIR: Do you think there is a lot of it happening, or you do not think there is? How much of a percentage?

Mr PACHOS: This is happening already.

Madam CHAIR: It is happening?

Mr PACHOS: It is happening already. Not a big percentage, but it is happening already. But I disagree with subleasing. I never agree with that. The subleasing was something—some operators will do the right thing. With subleasing persons can do the right thing, but some subleasing persons do not.

Madam CHAIR: So let us say it was stopped altogether, what impact do you think it would have on the industry?

Mr PACHOS: Well, it is good, you know. It would be very good.

Madam CHAIR: So, there is a view that subleasing should be banned. As we probably all know, it allows profiteering out of a scarcity of licences and provides possibly very little public benefit. On the other side, do you think there is any public benefit in allowing subleasing? I am getting a feeling you are against it.

Mr PACHOS: No public benefit at all.

Madam CHAIR: If a person is not operating a taxi licence themselves, do you think they should return the licence to government for someone who actually wants to operate the taxi?

Mr PACHOS: In this area, I can say yes, or the government could give us a chance. For example, I am 63 years old now. In two years or four years later, I like to have my pension. Eventually, after 67, we have another 10 years life, you know. We can enjoy it with family.

If I have this opportunity—not for me only but for everyone in the taxi industry; I can only say for the Blue Taxi Company. For example, you can say, 'Okay, I sell my taxi to John', someone new who wants to come to the industry and provide service. I sell to him, for example, for the value of \$30 000. But the taxi value already of \$30 000 is what it cost before. The value now had dropped down to \$20 000. Of course, you have another \$10 000 profit. You have to get something out of what we do ourselves as taxi drivers. At the end of the day, we do not get anything. We are not taxi operators and we are not taxi drivers.

Before we were taxi owners, we have a taxi number and the value was \$200 000, \$300 000, \$100 000. We had some value, now we do not.

Madam CHAIR: Okay. So, in Western Australia, the maximum rate the licence holder can charge a driver for a 12-hour shift is actually set by the government. Do you see any benefit or disadvantage in capping the rate that drivers can be paid for a shift? In Western Australia, for a bailment agreement government sets the rate.

Mr PACHOS: They make more money for the operators, the taxi drivers.

Madam CHAIR: Can you elaborate a bit on that. What do you mean by that?

Mr PACHOS: Okay. First, the taxi industry is not supervised properly—only on the meter. Some customers, even now, those drivers rip off, definitely. We can see many cases happen. Even the operators get a rip off, no meter. ‘Give me \$50 to take you to Palmerston’, for example. That is why you put emphasis on the news to say to the public ‘Make sure the meter is on otherwise you have no insurance’. If you have no insurance if the meter is not on—the public has no insurance, not covered. But the public does not know that.

That is why I put in the newspaper every Wednesday on the Public Notices ...

Mr WOOD: Do your taxis have GPS tracking?

Mr PACHOS: Yes, they do.

Mr WOOD: I suppose it would take a bit of work, but could you analyse whether someone was travelling without charging?

Mr PACHOS: It is expenses. Economically we cannot afford to put another person on the system on the computers to check, except if we have a problem.

Mr MILLS: A related question, Mr Pachos. If you have a number of licences and then you have a bailment agreement with a driver, is there only one EFTPOS machine pertaining to the car?

Mr PACHOS: Yes, only one EFTPOS machine. It is the Cab charge. They provide BasicsCard, Mastercard, Visa card, any of them.

Mr MILLS: So, another driver using your vehicle does not bring their own EFTPOS machine?

Mr PACHOS: Possibly they can do that.

Mr MILLS: Right.

Mr WOOD: Are those bailment agreements written?

Mr PACHOS: The bailment agreement always has to go to the main machines, not to have any extra machines inside the vehicle.

Mr WOOD: Are your bailment agreement a written agreement?

Mr PACHOS: Yes.

Mr WOOD: With every driver?

Mr PACHOS: Yes, everyone, yes.

Madam CHAIR: Do you have a written bailment agreement with each of your drivers?

Mr PACHOS: Yes, we do, but in some areas, sometimes we do not follow—all of us. For example, Blue Taxi Company in 2012–2010, I can say for myself—yes, we have that agreement. We have the agreement within the network, but many people in the taxi industry with papers does not follow that bailment agreement at the moment.

Madam CHAIR: Can you tell us what you think are the benefits of the licence cap that is in place at the moment?

Mr PACHOS: Yes. Many people tried to release the car, but it is not a good idea, it is a very bad idea ...

Madam CHAIR: So, you support the cap?

Mr PACHOS: We support the cap to be there. We do not need more taxis, we only need, for example taxi drivers. The taxi drivers we now have—is full all the taxis. That is the good part of the taxi industry. I believe myself we need some more taxis. For example, to allow the CPV Thursday, Friday, Saturday these drivers can be on the roads. The CPV will make more money, of course. At the same time also, the customers get better service. It means 99% of the customers—I can see no one is waiting anywhere.

Madam CHAIR: Thursday to Saturday. Okay. A hypothetical: if the cap was removed, what do you think the impact would be? I have heard you say it would not be a good thing, but could you describe what not being a good thing means?

Mr PACHOS: Okay. There will be an industry collapse. The taxi industry will collapse. The taxi drivers—the operators cannot afford to pay the maintenance of the vehicles. The customers, if they are serious to get the taxi, if they get the taxi maybe they never arrive there—something happens to you, an accident on the road or a breakdown perhaps. It is not a good idea.

Madam CHAIR: Why do you think people will not be paying the maintenance?

Mr PACHOS: It is not enough money.

Madam CHAIR: There would be too many taxis for sharing the work?

Mr PACHOS: Too many taxis, yes.

Madam CHAIR: But we have heard that a number of the taxis would go, which might leave current licence holders without drivers. So, those taxis might be returned? So, there might be some shift and change? Do you not agree that would happen?

Mr PACHOS: No, if someone wants to get out of the industry, this taxi supposedly has to come back to the industry (inaudible).

Madam CHAIR: Okay. Do you think there is anything the CPV could do to improve the regulation of the industry as it currently stands?

Mr PACHOS: Yes, the CPV can do that. Some taxis, for example, is very good improvements. They will provide more customer service, they will provide more taxis on the road and now we are—let's say 10% of the people are waiting, 90% we have provided service with all the taxis in Darwin. If we have some taxis, we can say we can catch up tonight, working at 95% to 97%.

Madam CHAIR: But in terms of what the department needs to do, do you think there is a better way that they could manage the industry as it is? So more regulation to enforce the rules that are already in place?

Mr PAHCOS: Yes, it is about the new people that want to come to be a taxi operator. For example, we do not agree with only one year experience—one year experience does not matter to the taxi company. One year experience is very little. I believe that the operator has

to have five years. Every one of us has done an apprentice and we have done our best for four years. It would take us four years as a minimum.

Madam CHAIR: Okay. We are running out of time, Terry. Do you have any other matters you want to raise to us directly? Any questions you would like to ask?

Mr PACHOS: No, not today. Only I would like to say, for example, that the taxi industry, somehow, in many areas, they get—okay, I will put it this way. At the report, we have some defect of the vehicles and the defect of the vehicles is welcome when the problem exists. But some areas, in most of the cases, if it was a seat belt, one seat belt brakes suddenly, they probably don't record it. And the seat cover, some kids come with small knives and cut a little bit and this will defect it.

Madam CHAIR: This is the recent defect—there was a story in the paper that you are relating to?

Mr PACHOS: Yes. Some taxis, it was defectable, no questions asked, but some of them it was not.

Madam CHAIR: Okay, I have noted your response. Do any of the committee members have any further questions for Mr Pachos this morning?

Mr MILLS: Yes, I do sir. We hear of Uber, and I hear that you think there should not be a cap? So that restricts the number of taxis that are in operation and then in Uber comes, free market. How do the two exist?

Mr PACHOS: We can merge together.

Mr MILLS: Do you think so?

Mr PACHOS: I think so. It is a big problem about Uber. First, they over charge. I cannot criticise myself and another side. Let's see what happens around the world. I see, myself, on the newspaper (inaudible) they use Uber once and then have Visa card charged here and then a couple of weeks later charged for another x amount of dollars. It is get rip off, put it this way. Another girl gets raped, no cameras. I saw another video; Uber driver was saying police do not (inaudible) Uber. That was in Melbourne.

Mr Mills: It appears to me, if we are looking at the flow of the market and this disruptive entry into the market with its basically free market would it be the best way to meet this new entry into the market by removing the cap so that with high standards on our existing taxi industry that are properly policed and free so it meets the demand of the community, would that not be the best way of matching the entry of Uber?

Mr PACHOS: Mr Mills, Terry, you tell me you know if Uber, if we put more taxis without Uber.

Mr MILLS: No, let us assume Uber is coming so the best response would be to have free market and uncapped with the taxi industry to match it. Maybe it is just a philosophical question but to me there is movement occurring. How do we best respond to that? Without changing standards, in fact increasing standards, increasing policing, but uncapped.

Mr PACHOS: Uber has to match us first; this no matching us you know? Uber has no cameras. Cameras means whatever happens in the taxi every three seconds three photos so you open the door, three photos, you put a foot on the brake, three photos, any movement you do inside, every three seconds you know it has x number of photos so it is a good idea to

have the photos and the cameras inside on the taxi. Why many people get caught, many people done the wrong thing, many people get caught. But with Uber you cannot.

Mr WOOD: I know we are running out of time, but just one important question. You have got 67 plates. Under the law if you want to retire ...

Mr PACHOS: Myself, I go to 83, I am sorry it is not 67.

Mr WOOD: So what happens if you want to fold up your company? Those licences have to go back for the ballot.

Mr PACHOS: That is correct, you know. All these years you are working for nothing.

Madam CHAIR: I am presuming though that those ... the original plates were all bought back under the previous government buyback?

Mr PACHOS: Yes, with Barry Coulter it was. We did this one.

Madam CHAIR: So it was a buy back?

Mr PACHOS: Yes it was buy back and it was promised to us that they would drop the CPL down to \$10 000, not increase the CPL. In the moment, we never have dropped \$10 000, we increase the CPL to \$20 000.

Madam CHAIR: That is the annual fee that you are talking about?

Mr PACHOS: That is correct. It is very expensive.

Madam CHAIR: Thank you. Any other questions?

Thank you, for coming to meet us today, Mr Pachos. It was most enlightening. Thank you for your time.

Mr PACHOS: Thank you.

Madam CHAIR: Khalid Nadeem. Is that the correct pronunciation of your name?

Mr NADEEM: Yes. Excellent. You have done very well there.

Madam CHAIR: I know you were here before but we will just go through the opening again. I know you have heard it already, but just for the record and so we make sure we are all clear on the procedures if that is okay?

On behalf of the committee I welcome everyone to the public hearing into taxi licencing and subleasing. I welcome to the table to give evidence to the committee, Mr Khalid Nadeem. Thank you for coming before the committee and we appreciate the time you take to speak to the committee and look forward to hearing what you have to say today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee does apply.

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evidence in private. The committee appreciates that this inquiry raises some sensitive issues so I ask that you request we go into a private session if you are concerned if what you would like to say should be kept confidential.

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I also note that you should not make allegations about specific people in a public session. If you have information that is important for this inquiry that could damage the reputation of any person you should ask the committee to go into a private session.

To begin, could you please state your name and the capacity in which you are appearing, and then if you would like to make an opening statement.

Mr NADEEM: My name is Khalid Nadeem and I am part-owner and director of Darwin Radio Taxis.

I moved to the Northern Territory back in 1977 from Western Australia and I am involved with the industry over 25 years, 26 years. I have been a driver, I have been an owner once, then when number plates were sold by the government to different people. Now I help to run Darwin Radio Taxis which has the largest number of vehicles in the Northern Territory, which is about 105 taxis.

Mr WOOD: Madam Chair, could the witness speak closer please to the microphone.

Madam CHAIR: Sorry, you are very softly spoken. 105 taxis?

Mr NADEEM: Around there, some 105 to 106 taxis. But we do not own them all, we are just simply a network despatch services. Personally we have only seven cars, which five are standard taxis and two are for amputees, disabled ones. That is what Darwin Radio Taxis owns, but we do provide despatch services to about 105 cars. I heard a few things, hardships and all sorts of things, I have driven taxis for many years, I have raised four children, give them a good education and times were such that if you are doing your time honestly and working hard, there is no room for complaining who is doing that but of course we should look to the industry for the better service and courteous and better service for the public that is why we are there. I still believe that those people do their work under the circumstances now, they still can have a reasonable, comfortable lifestyle.

Madam CHAIR: If we could kick off the same way we have been going with others, and just asking an assortment of questions. If I could begin with the allocation of licences: do you believe that the ballot system should be the way that we continue with allocating licences and if so who should be allowed in the ballot and why?

Mr NADEEM: The department has every time when ballot was due the department has asked people if that system is fair. I believe last time we insisted that there are so many applicants and there are so many people driving for many years, they are missing out so the element there you must be driving for five years or four years or whatever so those people have more opportunity than somebody just walked into the industry and he has been allocated the plates which they did for five years and I think the people who got the licence awarded they were deserving people.

Madam CHAIR: Do you believe there should be a limit on the number of licences a person can hold? It is a personal opinion. We are not asking you as, I guess in your broader capacity ...

Mr NADEEM: Can I have that question again please?

Madam CHAIR: Do you believe there is a limit on the number of licences a person can hold, an individual?

Mr NADEEM: Yes, I think there should be a limit ... If you say a person is struggling for two or three years and he has not got even one, and another person is holding much more than that I think it is a little bit unfair. I think there should be a number, a limit.

Madam CHAIR: How many do you think roughly? We are not taking ... is it one, is it four, ten?

Mr NADEEM: Some people have to 25. We are largest network, we only have 7, 2 of those are amputees. Some of the individuals has three or four so it is not really, a balance is not there in that question. The balance is not there. How that happened it is not they did last year, this happened over the last many years. To fix all that I think you have to work a bit harder.

Madam CHAIR: So how many do you think? What would be fair?

Mr NADEEM: If you are running a network or company, you should have a little more. I personally believe that. I am not advocating that for myself. The reason behind that is that sometime, in the early hours of the morning, we do not have many cars on the road. We are really desperate for cars to be on the road. If networks have more vehicles, they could put their own vehicles immediately on that. But we cannot go and request that. 'People, look, there is work there, you come on the road and do some work'.

But I am not here to solicit that we should have more, but this is my opinion, that networks should have that.

Madam CHAIR: Yes, we appreciate that.

Mr NADEEM: As an individual, one or two licences should be enough, but if it is a business, I will say it is more ...

Madam CHAIR: Okay, I take your point. That is something I had not heard before about not commanding an individual to put their cab on the road, but if you have a couple of your own ...

Mr WOOD: To get a clarification, I am a bit confused. You run Darwin Radio Taxis. Is that owned by you or ...

Mr NADEEM: There are two other people.

Mr WOOD: Two other people. And the people you service—sorry, I should ask if you all have licences, or are you just the body that organises those people who have licences?

Mr NADEEM: We do have licences, which I said—seven.

Madam CHAIR: Between the three of you.

Mr NADEEM: No, the company.

Madam CHAIR: The company has three.

Mr NADEEM: Those licence belong to the company, they do not belong to individuals.

Mr WOOD: The people who work—those seven—are on bailment or sublease?

Mr NADEEM: Bailment.

Mr WOOD: You mentioned a larger number of people operate under Darwin Radio Taxis, so there would be some who would have one plate ...

Mr NADEEM: Yes.

Mr WOOD: ... and there would be some who would own several plates?

Mr NADEEM: We do not have several ones, we have one, two, three maximum.

Mr WOOD: Each person only doing one, two or three. So there are a lot of people who have ...

Mr NADEEM: Yes. And some people who are subleasing may have more than that. But if you look at the average, people have two or three or one.

Mr WOOD: So, you basically operate, as I understand, because these people come to you because they need a despatch ...

Mr NADEEM: Yes.

Mr WOOD: That is the main reason?

Mr NADEEM: Yes.

Mr WOOD: Okay. Thanks.

Mr NADEEM: We do not tell them what to do. We just have our own standard, how they can operate in our company. It is up to them if they are leasing it or bailment. This is nothing we control. For the owners that is their own business. Every taxi is competing with other taxis, so they are all competing against each other for work. So we are not there to tell them what to do, we just provide the service. But we do have some agreements with every lessee or plate owner how he has to operate with us. Apart from that, that is their business. They are competing with each other. We have nothing to do with that.

Mr WOOD: So, people taking jobs from one another—you have other taxi companies—how do you ...

Mr NADEEM: Sorry.

Mr WOOD: Is people pinching jobs a common practice as well?

Mr NADEEM: It is a common practice, but because, as I said, each taxi is competing with others, if there is an incident there, we try to address that, but most of the time we do not even know who did what because we cannot see them.

Madam CHAIR: You have already told us that you are supportive of the ballot, but do you think there is any room for allowing licence holders to transfer their licences instead?

Mr NADEEM: Take my example. I have been working in the industry for 26, 27 years. I am 63 years old. In a few years' time I would like to have a bit of a break. So if the transferability is there for me, that may give some confidence which is lacking in this industry since deregulation back in 1999.

Madam CHAIR: Okay. So, people retiring out of the industry?

Mr NADEEM: Yes.

Madam CHAIR: You think that might be an option?

Mr NADEEM: If I do not have anything, all I would have for 40 years or how long I will work in this industry, an empty car sitting in my driveway. That is all I have. I do not have any superannuation, I do not have anything else. That is all I will have. You can imagine, if you are working most of your life in the industry and at the end of the day you have nothing. I will say transferability is on that particular time if you have worked ten years, 15,20,30 you should be given consideration that how it should get out with some benefits if there are some or how it can have a little bit of a better retirement rather than struggling because I have served people for so many years.

It does not happen anymore. In my days when I used to drive taxis our main objective used to be in the morning that we serve people-and personally myself I have few customers elderly people I used to take them to shopping, even putting their shopping into the fridges which does not happen anymore. The lack of commitments because confidence is not there money is very hard people have invested it and then you get now and then uncertainty which does not give you any comfort either.

Mr WOOD: Madam Chair, just on that point if we did not have a cap and we did allow people to basically sell their licences those licences would drop off in value because the market would be by having no cap the value drops?

Mr NADEEM: No sir, there is no such thing you can sell those licences.

Mr WOOD: No, but you can transfer them-you would get some money back?

Mr NADEEM: Yes. Or subleasing which no, I do not know the definition of subleasing because..

Madam CHAIR: It is not defined in the Act.

Mr NADEEM: I used to lease taxi from an operator who paid \$200 000 back in the '80s. I used to lease that I was allowed to lease. Now if I give a person a shift I am asking I am leasing you for \$100 that is the leasing. If I give them for 12 months or six months or three months depends which way you are looking at it is leasing and you cannot expect me to have two or three cars or one car to drive 24 hours I have to do that to earn that money to maintain my car to support my family and other things.

Madam CHAIR: Do you think that subleasing should be allowed to continue?

Mr NADEEM: In that you squeezing people financially it should be a kind of that leasing. I am saying you have to define the word leasing first. How am I leasing? Am I leasing weekly, daily, hourly or yearly what am I doing? I do not know.

Madam CHAIR: Okay, so definition of subleasing which needs to be defined.

Mr NADEEM: Subleasing what is it? That has not been defined and I am confused.

Madam CHAIR: Let us say potentially subleasing is where you get an amount of money up front and then pass the operational aspect to the driver. So, it is no longer a driver that person actually becomes an operator. Let us say that is the definition of subleasing versus a bailment where I give you the car for 12 hours and you drive the car for 12 hours but I am still responsible for maintaining that vehicle. In a subletting for arguments sake it is all of the operational stuff everything goes to you, you just pay me a fee for using it but the car stays with me. Do you think there is any benefit in that in the industry?

Mr NADEEM: I do not think so but to me the way I operate is that-as I said to the company has seven cars-we have no written agreement whatsoever nobody has ever asked us to do that. What have you been doing on the road, how many hours have you been working. We have a 12 hours shift, you start but it does not happen every day.

Somebody may be driving eight hours a day, seven hours a day or ten hours a day or maybe 12 hours a day. Our company rules are which we have written that we pay free fuel to drivers Monday, Tuesday, Wednesday and Sunday. Whatever is on the meters he takes the half and we pay the fuel and the rest of the money he pays to us.

Some people do 50/50. You pay the driver pays the fuel the owner pays the fuel half the driver pays a half and they take 50. There is not really any rules written how you lease it or bailment it or whatever you can call you have to address that issue first.

Madam CHAIR: Your agreements are not in writing? Your agreements are verbal agreements?

Mr NADEEM: Our agreement the company are in writing but I cannot ask any of the....

Madam CHAIR: No, but for your seven cars they are in writing?

Mr NADEEM: No, no.

Madam CHAIR: No, they are verbal agreements with your drivers.

Mr NADEEM: Because the turnover of drivers is such that you may have full seven cars on the road today, and tomorrow you have only two and that person may be driving for one or two days and not many people have that catch-up time to find one shift they start driving agreements there .

There should be a kind of an agreement which serve everybody the same way.

Madam CHAIR: So, one form of a bailment?

Mr NADEEM: So, one form of a bailment, yes.

Madam CHAIR: Do you think that subleasing is widely spread in Darwin? Do you think there is a lot of it happening?

Mr NADEEM: No, I do not think it is widely spread, but subleasing there ... for example, if I want to sublease I have to look into the financial side of it. If subleasing I can make money without any responsibility I go and drive for every shift, twelve hours, which is the better? And if they find it is better that way, they go for it, they do but it is not as widespread but you can hear what is in the print media and the electronic media, the corruption and all that. I have not seen that being in the industry for 27, 28 years.

Madam CHAIR: How much of the industry percentage-wise do you think there is subletting, across all the taxis in Darwin. Let us only talk about Darwin?

Mr NADEEM: I am sorry I cannot give you exact numbers. I would say maybe 20%, 30% but this is not something which I would say definitely that is how many percentage it is but that is what the area I think.

Madam CHAIR: So it is a low number. You do not think if it became ... , if subleasing was stopped you do not think there would be a big impact on the industry?

Mr NADEEM: I do not believe that you can stop it. I am saying there are four, five different ways of subleasing. Are you leasing for the day, half a day, a week. If you are leasing for a week, they will not say subleasing. What is it? This applies ...

Mr WOOD: A sublease is a strange word because it means a lease of a lease.

Mr NADEEM: Well, you are leasing to me. The government is leasing to me. It is legal. If I lease to somebody else that is illegal ... I am paying \$20 000 a year CVL, a lease from the government and if I lease for one week to somebody else that is not legal but the government side of it is legal.

You have got somewhere in the middle to address that issue. What is legal, what is not legal and what is the definition of leasing.

Mr WOOD: I noticed in your submission you gave a few cases where people might be sick, or want a break ...

Mr NADEEM: Yes, which is in our submission we have looked at all these things for example. I am a migrant. I have an issue back home with my parents, my family or something. I want to go there, live there for six months. It does not mean I will return my licences back to the authorities. I may employ the manager who look after while I am there.

Extended leave: everybody has. Why cannot I have it? Three months a year everybody entitled to have. If I am not here. If I am not here, I want to go over for three months or six months I should be able to appoint a manager or even a lessee.

Mr WOOD: That is nearly like a personal agreement for certain circumstances?

Mr NADEEM: Yes. That should be allowed. Without that you are just creating a situation which is, which cannot be fulfilled your requirements if we cannot do that.

Madam CHAIR: I think we have covered the distinction between subleasing and managing a taxi licence. I think you would agree that it is unclear, would be your ... because it is not defined, it is not clear. There is no clarity around it.

Mr NADEEM: Absolutely no, there is no clarity there.

Madam CHAIR: Do you think there is any benefit of capping the rates over a bailment. We talked earlier with the previous person in your chair that in Western Australia the government sets the rate for a bailment. Do you think there is any benefit in that?

Mr NADEEM: I would not go that way. When you are running a business, you should make decisions not somebody else come to make decisions for you because you are paying. You are working and you are running the business. How on earth am I ... is somebody going to tell me, 'Well, you charge \$5 or \$10 well that is not the case.'

Madam CHAIR: Do you, and it is entirely up to you, you have recommended that licences that are currently being subleased or being managed by another party should be transferred to that manager or sublessee if the licence holder is no longer a resident of the Northern Territory. You have given us an exception where people are able to take longer leave that is a clear definition. Do you think there is a lot of licences that are being held?

Mr NADEEM: Not many. There are very few.

Madam CHAIR: There are very few people not residents.

Mr NADEEM: Very few but in one case, I will not name the person, but in one case the husband and wife they had been in the industry about 25 or 30 years and they both had driven physically day and night.

They moved from here to Canberra because they are close to seventies. It would be very unfair to forget their services and say, you are leaving the bet, you are living in Australia, I am not living in Ethiopia, I am living in Australia, I am living in Cairns, or the Tanami Desert or Darwin, it does not really matter. I am still citizen and resident of this country.

I know there are different rules in different states but I am saying if they are gone and if they are getting a bit of money appointing a manager or you can at least say something. I do not think that is fair on those people. I know them personally for that many years. They started before me, before I got into the industry and if they are making a few dollars by appointing a manager or subleasing in that later age I do not think that is unfair although they are not living in Darwin.

Madam CHAIR: Thank you for that.

The key benefits of having a cap in place, just quickly.

Mr NADEEM: I think, as I said when, at an earlier stage, that confidence of this industry has been zero since 1999 since they deregulated and we wish there is some confidence and something to place in there so we could say that we are working in an industry where the benefits for us, for our children and generation to come. Because we have settled—very six months there is an inquiry, every six months there is an updating. For God's sake, it is a taxi industry. We are not talking about writing a constitution of the country.

We are only talking about a small, now I think 250–500 are directly or indirectly involved in the industry, part-time, full-time, this and that and as you are aware of that there is no—you do not know what is going to happen tomorrow. It is very difficult to make your decision, what you are going to do tomorrow and how you are going to serve the public. For me, it is very difficult.

Madam CHAIR: We are running short on time for each of these so we are running well over time. Does anybody have any additional questions from the committee?

Mr SIEVERS: Khalid, are you still driving now?

Mr NADEEM: No sir, I have got too much to do and I am 63 years old so I am not driving any more. I have—but I am 24 hours a day on call and I am there all the time.

Mr SIEVERS: Thanks.

Madam CHAIR: Do you have any further questions for us, Mr Nadeem?

Mr NADEEM: No. All I would say is please give us some confidence that this industry is viable to be in, and will look after us and our children or whatever or whoever is involved in there over time and that is the best thing you can do, to make this service better. If we do not have the confidence, if we do not have a future looking it does not matter what you do you are not going to get that good, courteous service to the public unless you give us that future there.

Madam CHAIR: Thank you very much.

On behalf of the committee, I welcome everyone to the public hearing into taxi licensing and subleasing. I welcome to the table to give evidence to the committee a representative of the NT Taxi Council, Mr Ali Rkein. Thank you for coming before the committee. We appreciate the time you have taken to speak to the committee and look forward to what you have to say today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee applies. This is a public hearing and a transcript will be made for use of the committee and may be put on the committee's website.

If you are concerned that what you will have to say should not be made public, you may ask that the committee go into a close session and take your evidence in private. The committee appreciates this inquiry raises some sensitive issues, so I ask that you request to go into a private session if you are concerned that you would like to say something that should be kept confidential.

I also note that you should not make allegations about specific people in a public session. If you have information that is important to this inquiry that could damage the reputation of any person, you should ask the committee to go into a private session.

Could you start by please stating your name, the capacity in which you are appearing and any opening statement, if you have one.

Dr RKEIN: Good morning, everyone. My name is Ali Rkein. I am here in my capacity as the President of the Taxi Council NT. I am as well, as a background basically, an operator.

I have been holding my breath in the back over there, feeling like I want to jump in because there is so much incorrect information that has been presented. Of course, I appreciate the time that you have put into this, simply because we are living in a free country where people raise questions or doubts and they have to be heard and answered.

However, knowing the background of all of this, I feel a waste of money and resources for the taxpayers into all of this. I just had to say this is how I feel about it.

I will see how much I can address of the points I want to raise and talk on. Basically, a bit of background may be quite useful to you. It seems the committee is touching on operational issues as well like it is worth having a review. We have done in the Northern Territory so many reviews already.

Not to undermine the knowledge of anyone in the committee or the people involved, but there is some lack of knowledge about some of the issues. I am concerned that a decision or recommendation would be based on some misrepresentation.

What triggered the committee is basically some talk out there in some groups of the industry—mainly some drivers—about subleasing. That was based on a perception which basically was out there that subleasing is illegal. Yet, I hear it from you today that subleasing is a confusing word—we do not know whether it is legal or illegal. However, the past existing perception out there—in the department in their communications and their written submissions, in the industry with drivers and operators—is that subleasing is not allowed.

We do not want to confuse the subleasing that everyone is referring to with any other form of running business. As Nadeem earlier was talking about, 'I give a set price for a driver', is not the subleasing that the group is talking about. Subleasing is where someone who is leasing a taxi from the government for a fee of \$20 240 and assigns all of its obligations to someone else for a fee of approximately the fee that they have been talking about, which is \$10 000 a year. That is the subleasing that everyone was referring to in the past—not any other form of running the business.

If that is illegal, we need to make a statement. We need to have it clear about this. But to me, first of all, the arbitrary numbers that some of the earlier presenters have put forward to you –I hope that I am less aggressive and remain calm—are totally based on either dumbness, lack of knowledge or no experience whatsoever.

When someone says 80% to 90% subleasing, this is totally misusing the freedom that we have in this country. Okay. It is easier for some people to knock on the door of the parliament and raise a voice. These people have been asked to provide no evidence whatsoever to support their claims

There is the previous director of the Blue Taxi company; he has 23 taxis. He said there is another company that is owned by different people under the Blue Taxi company and there is my company that is under the Blue Taxi company and we account for about 67 of the total number in the Northern Territory that is close to 50%.

That throws in a very short angle basically that throws those claims. Now the subleasing that they are talking about if it is an illegal issue my presentation is we need to differentiate between those cases. There is an example of a set of cases where the initial holder of the licence is no longer according to the existing law, no longer accredited if you would like. He is still holding his accreditation as an operator but for example, he is overseas. That is against the operator conditions.

If any investigation or a case is being looked into this case that person is no longer fit to be an operator. So there is those cases where you have a few people not just overseas even outside the Territory that is what the law says and these are very few.

There you have got others who are here in Darwin assigning their operational obligations without transferring their operator obligations. Giving the taxi that they own and that they are responsible for, and that they are held still responsible for any tickets they get or fines, or requests from the department to do something about it. So as an operator they are still responsible and they still meet their operator qualifications requirements. This is another set. We really need to differentiate between this.

Subleasing at the time it was considered—and that is me part of the industry—the perception was it is illegal. I put on the table to the department in one of the meetings that we had, is to explore the option to legalise it. In some other states I remember reading about one state that it was legal. So that was an option that could be looked into.

However, the real claim now of those who trigger this whole conversation and meetings is really the cap, all what they are pointing out is to lift the cap because all along the past years they have created this drama because all that they want is play the victim role. We are the drivers, we do the hard work, the operator rip us off -that is their words- and they (operators) sit on the couch and I am sorry to say they (drivers making the allegations) are not worth listening to because they already do not know what is the obligation of an operator.

When they refer to some personal designation of successful people or some people they have prestigious jobs and have investment in the industry what is this? This is encouraged. Someone like me who started in 1999 and I remember some of the faces (committee faces) from that age as a driver here. I did not after two

years of being here start crying I want my own plate. I worked my way up. A ballot was held and I got a plate—one plate.

I was driving it and my brother was driving it and my cousin was driving it and friends were driving it and some others from other nationality were driving it—and people from Africa and India and Pakistan and Greece I am naming real names here— they drove for me and I drove until the time I wanted to step up my relationship my interaction with Darwin and I decided to take an investment and I brought hundreds of thousands of dollars and I bought a company of taxis.

Now here the first one (first plate) is in my own name. The second investment . Now I am talking about is me buying taxis not all leased by an operator but by a company. For your knowledge, if the operator is the company, you can transfer. If it is an individual, I cannot transfer, even to my own brother. So, the company I purchased—the plates are held by an operator that is a company. So, when they put into the ballot, an individual and another form of business can put in an application. It can be a company, a partnership of any other legal identity. The individual cannot transfer, the company can transfer shares, but the operator remains the same identity—the same body, the same ABN number, same company number. Okay?

Back to this, I decided to invest to step up, yet not to sit on the couch, for those who lack the knowledge, but to build a better life for myself, that I believed in and worked hard for. I do it out of my time, my family time. I am here. I mentioned to you the other day that I did not even go on my holidays to be here. I do it out of my comfort. I do it from waking up at 4.30 at the morning to do my M14. I look after my cars, not for those who do not know, to sit on the couch.

This is the background now. Over the years there has been that talk all the time. In this industry as the rest of the world. You cannot restructure it in a way where you do not have a driver—which I mean, you have no more operator, the driver is the operator. It cannot work. This is everywhere. You cannot get it to a situation where you lift the cap and you give every driver a taxi. Well, there will be some people who do not want it, but they will still drive. So, they will still be a driver. We will still have students who come to Darwin to study because there are some work opportunities as well here. We know in Darwin the majority—or a significant number—of the drivers are students as well. There will be a lot who will not be able to get a taxi on their own, even if they could have the right to do that, in an uncapped market. However, they will still remain a driver. So, you cannot really restructure it as it has been explained—that the driver should have the plate. It does not work. This is everywhere.

The driver is a major part of this industry, so is the operator, the network, the customer and the department.

The bailment agreement—we have to admit the fact that we live in Darwin. The Northern Territory is 200 000-and-something people. Darwin is a very small town, very remote. This industry represents a very small size basically, in terms of the economy, in comparison with other jurisdictions.

People are sometimes not familiar with bailment and are surprised by the questions. However, what is out there is a bailment agreement that is legally done, based verbally. That is a correct way to have it as well; it does not have to be written. However, if it is written, it will protect a driver in front of maybe a bad operator, or an operator with a driver who is running away from his responsibilities. It is to protect both if it is there. If it is in writing, I can go and sue my driver who refuses to pay the excess fee for an accident that he caused, for example. So, the bailment addresses this issue.

But the issues within the bailment agreement are already there, based on the understanding between the operator and the driver—you will work those days; you will clean the car; I am giving you the car to clean; you are expected to keep it clean—of the responsibilities that must be made clear. That is the bailment.

Madam CHAIR: Just to be clear, you would be supportive of written agreements or not? Obviously, there are some benefits.

Dr RKEIN: In a way, it is encouraged to have a written agreement.

Madam CHAIR: We are more and more hearing that it is a verbal agreement.

Dr RKEIN: If it is going to be a legislative thing I would prefer it to be “it is encouraged to have a written agreement”.

Madam CHAIR: A written agreement, thank you. Sorry, I just wanted to clarify that.

Dr RKEIN: In Victoria I think that is the statement that they use; it is encouraged to have a written agreement. Mr Gerry, you raise an issue question about the cap and Uber. There will be no value if we lift the cap there will be no value whatsoever in any existing plate when you had a chat with Nadeem about you somebody will go and try to sell. If the cap is lifted no one is going to be paying anything for an existing plate because he could go to the counter of MVR and get one for free. This is regarding the value.

I think I need to say a bit more here about this subleasing. Those people who talked about the subleasing and the perception that was existing before it always came from the perspective that—especially government (our department)-it always came from the perspective that the government is leasing this plate for \$20 000 why that person is going to assign that plate to somebody else and get an extra \$10 000.

It is always going into, you know, the value there. That does not mean as some people used to say well then let the government give it out for \$30 000; \$20 000 is already expensive but people looking for opportunities who would pay that additional \$10 000 for someone to get that opportunity not because it is easy to make that amount of money but because himself with the eagerness of his work and his capabilities he can absorb that additional cost in his hard work. Not because there is more money and therefore we need to charge those licences \$30 000. It is just because they are happy to take the opportunity to work hard.

Madam CHAIR: Can I just clarify because you are actually addressing a number of the questions that we had out for ourselves today you think that there are benefits in subleasing?

Dr RKEIN: There was a time when again I put a proposal of have it written here—initially I was hesitant to put submission for different reasons but I am happy now with this clarity that subleasing is not really defined to put all the papers I have.

There was a time where we a meeting as I said earlier I said let us look and do it subleasing can be done in a legal way.

Madam CHAIR: Would you support that sort of approach?

Dr RKEIN: I support it if it is done in a legal way again.

Madam CHAIR: What would be the benefits of that then, Ali?

Dr RKEIN: A person who has a business-at one stage I bought a restaurant I wanted to invest at that time, I wanted to get out of taxis and wanted to invest in something else. I bought a restaurant then I decided later on to sell it. One of the options was to sell it and one of the options was to assign it to somebody else. I was renting the shop but the business is mine. So I could have through the agreement of the landlord rent through a particular sort of agreement-there are so many different ways-rent that businesses to somebody else that was another option.

Transferability can be done as long as the initial licensee is still held responsible for his obligations and the sublessee he has still got to be an accredited operator not a driver accredited operator as well because he is going to take the responsibility of operations as well. Again, as a council we wanted to hold a neutral position on this but now that subleasing is being approached as okay it could be legal it could be illegal. Really the clarity and the focus should be on those cases where the operator is no longer accredited because he does not meet some of the requirements anymore.

The other person he is here (Darwin) he is giving that car for another person to operate. Personally I do not see anything wrong with it at all.

Mr WOOD: So, I mean people go into a subleasing arrangement of their own free will. If people were being forced, that is one issue but if people know that this is the rules, you think that should be permitted under a free market economy?

Dr RKEIN: Yes, absolutely.

I am surprised to know that some people can be forced into an agreement. It is like again those ongoing claims by some of the drivers who say they make us work like slaves, they force us to work. This is not in any way true.

Our cars sometimes get parked early because the driver does not want to drive any longer. There is no way, there is no evidence that the driver has been forced to work in any way. This is just absurd and ridiculous.

Madam CHAIR: Can I just go back to cap for a minute?

Is there any evidence that if we remove the cap that would significantly increase the number of taxis operating in Darwin and Alice Springs? Although, we do know that the number of taxis increased following deregulation, the number of minibuses and private hire cars decreased, so the total number of commercial passenger vehicles remained reasonably steady.

What would your fears be ... It is a hypothetical question alone: that the cap would come off do you think there would be an oversupply I guess is the question?

Dr RKEIN: Yes. Look, in this industry there has been over the last few years a lot of ambiguity and uncertainty, so many changes, so many stress and really on the people involved in this industry I believe including the department.

There has been a change of government and four or five, six reviews since 1999. But what is going to happen. Of course, no-one knows but the clear indication of what will happen is what happened in 1999. In 1999 there was no cap. In 1999 it was anyone free to go to the counter, fill out an application, get a plate.

What happened that time? That time, the number of licences increased dramatically. You can always refer to the data from the department. And then for the people to realise, now unlucky basically that time I was a driver. We were struggling to make \$90, \$100 on the meter. As a driver, I was not benefitting from removing the cap. There was no cap, not having a cap.

For the operators to realise, those who went and invested in cars, in business to realise that it is not viable. Not everyone survived. Some survived of course and that is what I want you to see. These people who are talking about no number of the supply of taxis will change because some people will hand the plates back, the big operators. This is what is inside of them. They hate, they really wish to destroy me and others because we have been successful. They want to build their business, this is their failure. They want to build their business on the detriment, on the destroying of other people. This is not the smart way to defend an industry.

To defend an industry you go and ask, you lobby, you tell the government, we need more money as a driver so what can we do to bring more money to the taxi, the money that was at some certain point in time, ten years ago, more than what it is now. You go and you raise these issues. I am not going to talk much on this.

In 1999 the number increased dramatically, for some of the people then to realise they are in the wrong industry and they are not surviving so what they did? They went and handed their plates back. That may seem really simple, it is a plate-I hand it back.

No, it is a person who took a loan, it is a family person maybe with two kids, maybe with more than two kids, went and handed a plate back means he could not pay the loan and he ended up with a taxi that he had to sell at a loss. If this is what you want to see again replicating then you replicate the decision of 1999.

That is what is going to happen. Why so many people dropped their plates back? The number decreased because they could not survive. That is one aspect of it.

To those who think as well that the big operator is the one who will lose the game, they are wrong. In 1999, Terry got the 23 taxis from that time. Before that he had a few. So, as a big operator, big business decision maker, smart person, he was able to succeed. And the single operator, single families, are basically the ones who struggled. That is clear proof that they have it wrong in their minds.

I am really concerned that if we lift the cap we will affect many people. This is my real concern.

Madam CHAIR: Quickly, do you think there should be a limit or not on how many licences a person can hold?

Dr RKEIN: It all depends what is the merit of this—what are we intending to achieve. Going back to the last ballot allocation, there was the thought that drivers needed to be given a chance to have their own plates,

so then there was an agreement that existing plate holders would not apply. Then the policy was drafted around that.

Is that legal? I do not know. I do not want to get into these details. It should be fair to anyone to have a chance to apply. Of course, even as I said, with an uncapped market, you cannot make everyone happy. With a capped market, you cannot make everyone happy. But are you willing to prevent business-minded people from coming and investing in the Territory? If you say, 'You are allowed to have 10 or five', will you replicate that mindset to the public buses and say, 'You cannot have more buses'. Another operator has to jump in. I could raise my voice and say I want to invest in the public buses.

This is a big business decision. We should not be approaching it on the idea that some drivers want to get their own plates because they cannot hide the hate inside their hearts and they want to destroy other businesses so they have the opportunity to have their own plates.

Madam CHAIR: On that as well—we are running out of time, so I will have to wind up in a moment—does the Taxi Council support licences being transferrable?

Dr RKEIN: We put a proposal in this respect in the past. It was knocked back. Because again the subleasing was considered an illegal thing to do, I put a proposal to give a one-month period to allow transferability. That gives a chance to those who want to get out of the industry to transfer it to some people who want to get into the industry.

In another submission I put my own case, that as I said, cost me hundreds of thousands of dollars. At that time, there was some sort of clarity when I purchased the company, but shortly after that, the new government came and started talking about lifting the cap and then others about Uber. So, there would now not be someone else to come and invest the way I invested, because there is no clarity in this anymore.

I put a proposal at one stage to the department. I said, I own this one company, that whole nine licences. Allow me to split it into nine companies so that I can transfer to nine people who are willing to join. You are saying, as government, you want to give drivers an opportunity. This is one way. I am not saying this is the only way, this is one way.

Yes, transferability can be a way to actually get rid of some people who are already tired of it and want to get out. It is an exit choice, basically, at any point in time. We do not know what will happen in individual circumstances of people. Things can go wrong and people want to leave town. So, give them that choice.

How will it happen will be subject to discussion.

Madam CHAIR: We have run out of time, Ali. I ask if any committee members have any further questions.

Mr WOOD: Just a clarification. So, if you own a company and we do not have a cap and a company I would imagine has more capital behind it than a single operator, they could go and buy say 50 more licences and you then could have big operators who could then control the market. Would that be a fair indication?

Dr RKEIN: That could happen. That happened in 1999. That could happen definitely and this is, I mean, at the end the market is going to absorb what it can afford but unfortunately those people who will buy the taxi and then leave then they are going to absorb a loss and that is what we do not want to see.

At the moment, in a capped market it is not a great envy what the driver and operator is making. Those numbers you have been presented by one of the submissions are totally misleading. If I am making \$1 000 000, \$1 200 000 a year, I would not be here listening to some I do not want to say what. Honestly, I would not be sitting here but we have got a major change happening. We have got ride sharing being approved. They could come any time. That is already a big change. You ask the minister, you ask the department, every MLA. You ask the industry, you ask anyone. No-one knows what is going to happen. Are we going to remain viable even in a capped market we do not know. No-one knows. The new world is open to so many changes that no-one can predict. The private hire business—is it going to remain? All of that-Darwin is different to some other jurisdictions. We have got to wait and see, I guess.

And yet, maybe this is an opportunity for me to say that I would say that I would request this committee humbly to request the government not to leave the choice for Uber to decide when to come in. Yes, we approved it. Now no-one knows whether Uber is coming or not. It all depends on Uber. We really want at least six months announcement before Uber is going to say yes, I am coming next month or the next two months. We really request that. There is so much business implication on us.

Should I buy a new car if Uber is coming after six months or not? There are so many other investment decisions by every operator that need to be considered.

Madam CHAIR: Thank you for your time Ali. We really appreciate your appearing today.

Dr RKEIN: Thank you for the opportunity and I will put all this documentation later on our submission.

Madam CHAIR: There are some ladies at the back of the room if you wanted to leave it before you left, or you can e-mail it.

Thank you very much.

The committee suspended

Madam CHAIR: Welcome to this public hearing on taxi licensing and subleasing. I welcome to the table to give evidence to the committee Mr Andrew Kirkman, Mr Alex Rae and Mr Greg Turner. I had down Mr Simon Saunders. He is not attending?

Mr KIRKMAN: Simon is ill today, unfortunately.

Madam CHAIR: No problems. That is why we have the Member for Port Darwin. We did not want his germs in here either.

Thank you for coming before the committee. We appreciate you taking the time to speak to the committee and look forward to what you have to say today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee applies. This is a public hearing and a transcript will be made for use of the committee and may be put on the committee's website.

If you are concerned that what you will say should not be made public, you may ask that the committee go into a close session and take your evidence in private. The committee appreciates this inquiry raises some sensitive issues, so I ask that you request to go into a private session if you are concerned that what you would like to say should be kept confidential.

I also note that you should not make allegations about specific people in a public session. If you have information that is important to this inquiry that could damage the reputation of any person, you should ask the committee to go into a private session.

To commence, could you each state your name, the capacity in which you are appearing, and Mr Kirkman, if you would like to make a brief opening statement.

Mr KIRKMAN: Thank you, yes, I would like to make an opening statement.

Madam CHAIR: Make introductions, please.

Mr KIRKMAN: Sure. To my left, I have Alex Rae, who is the Director of Passenger Transport, and to his left, Greg Turner, Manager for Commercial Passenger Vehicles.

Thank you again for the opportunity to respond to the committee in respect to your taxi inquiry and our submission to that inquiry.

Taxi licences are currently set at 156 in number in Darwin, comprising of 122 standard taxis and 34 wheelchair taxis. The number is 36 in Alice Springs, being made up of 27 standard taxis and nine wheelchair taxis. Other regions remain uncapped. Katherine has currently 22 taxis, Gove seven and Tennant Creek, one.

The taxi industry has been subject to a number of reforms and reviews over the past decade. Many of which have already been discussed this morning. The most significant being the deregulation in 1999, with government buying back all taxi licences and moving to the annual leasing of licences as well as the introduction of administrative cap on licence numbers in Darwin and Alice Springs in 2001.

Following the 2001 decision, any new licences which came available were to be issued by ballot system under a strict probative regime with a total numbers linked to a population ratio. The drivers and licence holders or operators have polarised views on the issue of taxi licence numbers control, with Alice Springs drivers expressing strong concerns and the view that they would like the opportunity to obtain licences and run their own businesses.

Drivers who do not wish to or are unable to obtain a licence enter into bailment agreements. That includes payment to licence holders. Unfortunately, there are also some drivers that enter into subleasing arrangements with the licence holder. Bailment agreements are not considered legal and are a long standing method of taxi fair share arrangements between licence operators and drivers.

These can take two forms: a percentage split, generally 50/50, of the takings; or a negotiated set amount paid to the licence holder drive for a shift, with the driver keeping all the takings. Some ongoing bailment arrangements can extend for long periods, months or years, with a driver paying a set fee on a monthly or weekly basis to the licence holder. It is also understood that these arrangements can be made by written agreement or in some instances a verbal one.

Within these bailment agreements the licence holder and vehicle owner retains all responsibility for the vehicle's operational costs, network fees, maintenance, licence fees etcetera, with the driver simply operating the vehicle for a shift as a driver.

In discussions with drivers it is clear that there is a high level of confusion between bailment arrangements and subleasing. We are doing some work on this now to ensure this is more readily understood. In the last few months the department has met with the taxi industry in both Alice Springs and Darwin to provide information in relation to taxi licence operations and the differences in subleasing and bailment agreements. This information is currently available on the department website.

Subleasing of licences as opposed to bailment agreements seem to transfer the responsibility from the licence holder to a third party, the driver, with the licence holder playing no role in the operation of the vehicle. Such arrangements are not considered acceptable by the department. Subleasing agreements require the third party to take full responsibility for all costs associated with a vehicle, which in some instances includes the purchase of the vehicle, which is then registered in the name of the licence holder, as is required under the Act.

To hold a licence a person must meet accreditation requirements, which include not being insolvent and being a fit and proper person. Subleasing the licence to a third party may result

in a number of consequences, a non-accredited person having responsibility for the operation of a taxi, for example. It also has the effect of potentially creating a value in the plate. It also may result in the third party entering into further agreements with drivers to operate the taxi, resulting in the further dilution of profits. It may result in there being no record of the person operating the taxi as the operator for the purpose of regulatory enforcement. It may also result in the licence holder residing interstate or overseas, with minimal interest in the good operation of the vehicle.

It is considered that a licence is intended to be issued to a person who has been assessed as suitable to hold a licence and operate a taxi, and for that person to be accountable for the operation of that taxi. Regulating the practice of subleasing has proven very difficult with the parties involved generally complicit in the arrangement, resulting in evidence being difficult, I daresay often impossible, to obtain. Allegations are often hearsay and some arrangements simply verbal.

Clear evidence of subleasing generally only comes to light as a result of a licence being cancelled for reasons such as non-residency, fit and proper concerns such as criminal convictions or cancellation of accreditation.

In 2015 in the Darwin region, the director cancelled the accreditation of a taxi operator, and thereby his licence, for reasons of becoming insolvent. The director also cancelled a taxi where the operator no longer resided in the Northern Territory. As a result of these two licences being removed, two persons purporting to have been operating the taxis lobbied both sides of government to find a suitable solution which ensured they and their families were not left without income. A review was under way at the time and the minister had announced that to provide stability to the industry during the review there would be no further ballots under after its completion.

With the review ongoing and not expected to be finalised in the short term, a solution was sought to ensure taxi numbers were maintained and that the persons affected by the cancellations were not left without an income. The Transport minister at the time approved policy 5.20 for the director to issue licences outside the ballot in special circumstances. A total of six licences were issued under this policy—two in Darwin and four in Alice Springs—before it was withdrawn in February 2016 at the completion of the review.

Alex, Greg or I are happy to take any questions and provide any clarification or information that may assist the committee with its inquiry. Of course, neither I nor the other departmental officers can provide opinion on government policy, and hence will answer questions on a factual basis where we can. Thank you.

Madam CHAIR: Thank you, Mr Kirkman. We might stick with policy 5.20. We have a couple of question around that. One of the primary reasons for this inquiry was the allocation of licences outside of the ballot system, and you have just given us some additional background. In your submission, you also outlined that that allocation was done under policy 5.20, which I am noting was withdrawn in 2016.

At the time, was the policy, or an outline of the policy, ever placed on the government website?

Mr TURNER: No.

Madam CHAIR: No. How did those who were affected by the policy, or made use of the policy, ever know about it?

Mr TURNER: Sorry, could you repeat the question, please?

Madam CHAIR: If it was not put on the website, how were those affected by the policy, or the people who made use of the policy, come to know about it?

Mr TURNER: Primarily, the licences were under review or cancelled. The people actually approached the department.

Madam CHAIR: Only those people who were affected were made aware of the policy?

Mr TURNER: From memory, we did not actually—what happened is after a few people came forward and we started speaking about the policy, before we enacted we spoke to the Taxi Council and said, 'Here is a solution'. There was quite a bit of consultation with the Taxi Council. Once it was approved, then obviously, operationally, people came forward—they had already come forward previously—and we facilitated the request through the policy.

Madam CHAIR: When did the policy become publicly available?

Mr KIRKMAN: The policy had not been made publicly available. The industry generally was quite aware of its existence, but it was only used for those specific examples where people came forward claiming to have suffered significant loss.

Madam CHAIR: In this public hearing, we have heard both here in Alice Springs that people saw the policy for the first time through this inquiry process. That is of interest—that the Taxi Council was consulted.

Could you tell me what stage the department became aware that some drivers were concerned about the allocation of the licences outside of the ballot system?

Mr KIRKMAN: I will answer that one. We became aware specifically through drivers in Alice Springs that there were concerns about the allocation outside of the ballot system ...

Madam CHAIR: How long ago might that have been?

Mr KIRKMAN: I think that was early 2016, late 2015.

Madam CHAIR: When you heard those first complaints coming through, did you advise them of the policy at that stage? If someone made a complaint, was that when a discussion might have come up about policy 5.2?

Mr KIRKMAN : I will pass to Alex to respond to that one.

Mr RAE: The order of events was we were taking action against the licence holder for someone not being considered fit and proper or not being in the Territory so once we had taken action against that licence then the affected person (sublessee) became aware because they have found out that the licence was going to be cancelled. That meant that they were going to lose their investment and ability to make a living and provide for their families and all the rest of it.

Then there was flow on affects to other drivers. Once they became aware then they stuck their hands up to government and others including both sides of government saying hey we have a real problem here something needs to be done to fix this and because as Greg pointed out the review is under way and there were other elements going on and that is when

the policy was developed as an option to address this particular problem that had just occurred because of other action against the licence that was taking place.

Madam CHAIR: The people that were coming forward and saying I am affected by this were you aware or did they make claims that they were in subleasing arrangements at that time.

Mr RAE: They did when they came forward, yes.

Madam CHAIR: They did? The question that is on my mind is the department has published that they believe that subletting is against the intention of the Act-I think that is the words that is being used-and yet you had people coming forward that had clearly breached were breaching that position and then came forward with a policy that allowed them to get something outside the ballot.

I think that some of the stuff that we are hearing and certainly from my mind that is where some of the confusion is occurring-is the department on one side saying subletting no, no, no, but on the other side, yes you have admitted that subletting we are not going to do anything about that but we are actually going to give you the plate. Do you understand where that is causing some confusion? Do we agree on that?

Mr KIRKMAN: I will respond to that, Chair. We absolutely understand the confusion. The reasons for the policy as Greg and Alex have discussed were given at the time there was not the ability to get any further plates into the market. That was certainly one strong aspect of the policy to ensure that customers were not suffering as a result of the long review that had been under way. Particularly we were concerned about the disabled enabled vehicles to make sure that disabled people were able to be picked up when they needed to be.

The other point, in contrary to I guess what we would consider the intent of the Act people had got themselves into arrangements whether they had understood when they got into those arrangements is a bit unclear but they got themselves into arrangements which yes were clearly subleasing, we would consider subleasing.

The arrangements were quite extreme. In a large number of cases they had actually gone out and bought the vehicle so they got into debt they had bought the vehicle they had then obviously been operating that vehicle for a period of time. We completely understand the confusion that that policy caused. It was there for a period of time during the review to deal particularly with the reduction in taxi numbers but obviously also addressed the terrible financial situation these people had got themselves into and obviously did not have any access to income outside of having a taxi.

Yes, understand the confusion the policy was withdrawn in February 2016 following the review to ensure that that confusion would not continue.

Madam CHAIR: I take it that no action was taken against the subleasing? You have said the subleasing occurred you knew it was occurring but no action was taken against that actual subleasing.

Mr KIRKMAN: The lessor had his plate taken off him.

Madam CHAIR: But for different reasons?

Mr KIRKMAN: That is correct.

Mr WOOD: Madam Chair, just to clarify that. Is subleasing legal because if it is legal then no one has done anything wrong?

Mr KIRKMAN: Our view is that ...

Mr WOOD: Is your view based on the Act that says subleasing is illegal?

Mr KIRKMAN: The Act is less than clear about it, Member for Nelson. I think that is a fair point. Our view and the Director of Commercial Passenger Vehicles' view is that it is against the intent of the Act. I think it is fair to say that the legal advice you would get if you were to prosecute someone for subleasing would say that you know you may not have a good chance of winning but we will always hold the view, because of the poor consequences that result from subleasing that we do not support it and we will look to remove that arrangement where we can.

Mr WOOD: Does it stop someone going into an arrangement that we can call leasing, other than bailment? We are in a free enterprise society. I can go to the owner of the plate and say I would like to do a deal with you. It might not be bailment but might be something else; that he part-owns the taxi or something like that.

What is there to stop someone having a private agreement with the owner of that plate and then continues on as a taxi driver. Is there a ...

Mr KIRKMAN: So if the licence holder did not continue to have any responsibilities for operating that vehicle we would have the view that in fact a subleasing arrangement has taken place. As you pointed out these are generally private arrangements, often verbal so without any evidence of such an arrangement there is nothing we can do.

Mr MILLS: Could I ask a supplementary related to that Chair?

I noted you said, Mr Kirkman, that you are looking to end subleasing arrangements where we can so there are two parts I see there; so you are looking to, you are using whatever measure you have got available to you to end such practices and then where you can—are you suggesting there needs to be a clarification in the Act so there is a legal clarification but within the existing arrangements you are looking to end them where you can.

What sort of measures are you considering within the parameters of your existing power to end such arrangements, notwithstanding maybe there is a need for the Act to be changed to clarify it, but within your existing capacity, what measures are being considered, and where are you at with that consideration?

Mr KIRKMAN: I will get Alex or Greg to talk about some of those measures. In terms of the second part of that first question, where are we at? We certainly want to I guess hear the recommendations of this inquiry before we act into any particular way but some of the measures certainly can be considered this time.

Mr RAE: Where we find out about subleasing we try to get evidence, which as Andrew has pointed out is very hard to get because both parties are complicit in the subleasing arrangement. So where we can get details and evidence then we look at our options in terms of dealing with it. We might have a range of options.

As part of the investigation we might uncover that there are some fit and proper issues, in terms of a person's appropriateness to hold a licence, often residency is an issue. Perhaps

they are not actually living in the Territory any more. That is a fairly common issue that arises.

We might as a result of finding out about a subleasing arrangement and the result of having an investigation where we have got sufficient evidence we might uncover some other things that are occurring. Those other things might give us a stronger case to pursue particularly in terms of residency where the Act says that you have got to be ordinarily resident in the Northern Territory to be a holder of a taxi licence.

There is a range of things we look at as part of that process.

Mr TURNER: I guess, no doubt the committee has a sample of the current taxi licence. There is an inherent obligation on the taxi licence holder whose name is on the licence to ensure that the vehicle is operated within the law. So I guess the question is if they step back from the industry through subleasing, how do they maintain that obligation?

Apart from some of the subleasing documents, the evidence which has come through, through the use of the policy, we have not really been in a position to actually ask those questions because we do not have the evidence.

We can certainly improve that clarity and we can certainly look at putting clearer conditions in the taxi licence. But at the moment our experience is limited because we simply, apart from the evidence we receive through the use of policy, we have not been in a position to explore avenues.

Mr KIRKMAN: Just to summarise on that in terms of measures, Member for Blain, there are certain measures we can undertake, obviously legislative measures, but also measures in terms of licencing conditions, to make it absolutely clear that the opinion of the Director is that subleasing is not appropriate.

Madam CHAIR: Okay, we have a number of questions. We will never get through all of them so we might have to leave some of them on notice. In terms of those successful applicants during that ballot period, generally the names are published on the Internet? The names of who gets licences?

Mr KIRKMAN: Yes.

Madam CHAIR: Did you place the names of the people allocated licences under policy 5.2 on the public record?

Mr KIRKMAN: No.

Madam CHAIR: Why was the decision made not to disclose that information?

Mr KIRKMAN: At the time, it would be fair to say, it was not considered. Perhaps in the benefit of hindsight we should have followed the same process that we follow for ballots.

Madam CHAIR: On the same theme, the committee has an accreditation approval letter to a taxi driver dated in November 2015, and it was your evidence just a moment ago that the policy 5.2 was withdrawn in February 2006. And in that letter it states that taxi licences in Darwin and Alice Springs are allocated by ballot. So at the same time of that letter we are assuming there was a freeze in place on ballot allocation?

Mr KIRKMAN: That is correct.

Madam CHAIR: Can you advise why those letters were going out in November?

Mr KIRKMAN: Is the committee able to provide a copy of that letter?

Mr TURNER: Or perhaps some clarification on the letter?

Madam CHAIR: So the letter relates to an accreditation approval letter.

Mr KIRKMAN: To an individual?

Madam CHAIR: Yes. The letter states that the taxi licences in Darwin and Alice Springs are allocated by ballot, whereas at that time we know that 5.2 was in place.

Mr TURNER: I guess, the ballot process was still the main means of allocating licences. This was an exception to that. Also, on the licence holder becoming deceased we could issue a licence out.

Mr SIEVERS: So licences were issued under hardships?

Mr KIRKMAN: That is correct.

Mr SIEVERS: So what is in place now with the Act?

Mr KIRKMAN: The only exception in place at the moment is, as Greg pointed out, if someone is deceased and a close relative has been relying on that vehicle for an income. That can potentially pass to the family member. That is the only exception outside of the ballot process.

Mr SIEVERS: Currently.

Mr KIRKMAN: Currently.

Madam CHAIR: At the last ballot you gave some additional conditions—are those still in place?

Mr KIRKMAN: That is correct.

Madam CHAIR: Or has it gone back to the original?

Mr KIRKMAN: No, we can issue any considerations over each ballot. We were very keen to see those taxi drivers who have been in the industry for a long time—had been unsuccessful in getting a ballot but had been excellent drivers with excellent records—have a real chance.

So, at the last ballot we ensured that we held as important the fact that someone who was an accredited operator and had had a CPV ID card for the last five years and a satisfactory compliance history—and we got a copy of that history to ensure that was the case—of course, they were current NT residents and also importantly, they did not hold a current taxi licence. We gave a real opportunity to those drivers who wanted to have their own vehicle but had not been able to do that successfully in other ballots. I would not see any reason why we would move away from this policy in the next ballot.

Madam CHAIR: Okay.

Mr TURNER: Additional information. My understanding is the minister approves the ballots and the ballot conditions.

Madam CHAIR: But it would be your suggestion the next time around that those conditions perhaps might continue, without holding you to that. I understand that each one can be different.

Mr KIRKMAN: That is exactly right, yes.

Madam CHAIR: Okay, thank you. It has been suggested to the committee ...

Mr SIEVERS: Sorry.

Madam CHAIR: No, go. Is it on the same ...

Mr SIEVERS: Yes. Do those checks include criminal history checks and how often?

Mr KIRKMAN: That is right. They include a criminal history.

Mr SIEVERS: How often?

Mr KIRKMAN: How often?

Mr TURNER: A general driver and operator ever five years unless there are reasons to reduce that.

Madam CHAIR: It has been suggested to the committee that licences should not be allocated to a person who already holds a licence. You probably answered it before, but what are the benefits of not allocating a licence to someone who already holds one?

Mr KIRKMAN: Where we have found taxi drivers who have been in the industry for a long time but have not had the luck, I guess, to have won in a ballot previously, we have found they have excellent records, they have a real desire to maintain a business—one would hope and expect that desire would fuel some really good customer experience. That is what we have found it has.

Mr WOOD: Excuse me. Are they the only ones who go into the ballot then? You have a preselection?

Mr KIRKMAN: That is right.

Madam CHAIR: Set of conditions.

Mr KIRKMAN: Yes, that is right. If you would like me to get Greg to talk about ...

Madam CHAIR: I think we have those in writing, with the conditions around the last ballot.

Mr WOOD: Okay. You have them in writing—time constraints.

Madam CHAIR: Yes, we do. In your view, from the department, what are the benefits of allowing a person or a corporation, to hold multiple licences? We have heard significant evidence that lots of corporations and individuals hold them, some of them as a result of the lifting of the cap in 1999. Do you see any benefits in multiple ...

Mr KIRKMAN: Some of the benefits are obviously a set standard of customer duty of care across that company. There are certainly benefits that can be derived. As you said, a number of those came about through the lifting of any cap in 1999. That enabled companies to get quite a number of vehicles. Alex or Greg, anything further?

Mr RAE: Yes. Alex Rae. It gets back to 1999 when you were trying to lift the lid on economic regulation of an industry to try to create a free market where people can come and go into the industry and make an investment and build a career or business. It is about that type of thing.

But we do not regulate the number of tourist vehicles that are allowed to operate in the Territory. You can just go and get a tourist ...

Madam CHAIR: I am not sure they are the same thing.

Mr RAE: ... licence. Traditionally, it has been the history of jurisdictions around the world that they have regulated the number of taxi licences into the market. The 1999 effort lifted that, and that creates an environment where people can operate. The same as we do not regulate the number of coffee shops in Cavenagh Street. It allows the market to respond to the demand and through that you get improved services to the public.

In 1999, a couple of guys came and took advantage and bought a number of licences. There is the thought that someone operating a number of licences will probably be more efficient than someone on their own. But the deregulated environment allowed both types of people to want to operate.

Madam CHAIR: We just might move back a little bit to subleasing: has the department ever used the evidence of subleasing as a reason to cancel a licence?

We have heard before that those other ones were cancelled for other reasons than subleasing.

Mr KIRKMAN: You would be aware that two in Alice Springs had the reason as subleasing. Again in hindsight the Director should probably have referred to the other issues with the licence-holder, which were 'fit and proper', there were criminal convictions against that driver so we would have been able to uphold taking those licences off that licence-holder but I think the description was used as subleasing in those two arrangements.

Madam CHAIR: In your view then if the licence is subleased do both the licence holder and the sublessee break the law?

Mr KIRKMAN: We have not prosecuted on that basis before. If we were we may go down that route but clearly the lessee has already suffered significant loss, ie their income, potentially the debt they are holding over the vehicle so I would expect us generally to target the leaseholder to effectively get that plate back into the market.

Mr TURNER: Where the sublessee is not accredited then they are both clearly in contravention of law.

Madam CHAIR: You would agree both parties?

Yes. I know I think given the department's outward position that subleasing is illegal or contrary to the Act, then someone going into a sublessee agreement would be doing so knowingly. But I take your point that you have not yet prosecuted on that behalf.

I am just taking a moment to read a question. I just want to make sure it is relevant before I ask it completely because the conversation has gone ... You have actually covered a number of things.

Mr Turner, on the face of it then Policy 5.2 would appear to reward with a licence those you would consider were breaking the law.

Mr TURNER: Potentially not, and like I said, it is quite clear when the sublessee is not accredited there appears clear contraventions of the Act. Obviously Andrew's discussion around where that sublessee is accredited that is when it starts falling into that grey area and I guess open to interpretation.

Madam CHAIR: I guess. I am simply going to make this as a statement because we have covered it already but it seems very difficult for you to implement fairly and consistently when you tell some people that subleasing is illegal while on the other, those that have been involved in subleasing you use that as a justification for allocating them a licence. That is very difficult. I guess that is something that we will have to consider further.

We have substantial evidence that subleasing of taxi licences is common practice in Darwin and Alice Springs. Do you see there is any public benefit in subleasing? I know your position at the moment is how you are interpreting the Act but would there be any benefit for the committee's consideration in allowing subleasing?

Mr KIRKMAN: At this stage, no we do not see any benefit.

Madam CHAIR: Even if it was highly regulated?

Mr KIRKMAN: That is right.

Mr WOOD: I know we are running out of time but when it comes to subleasing we were just told by Darwin Radio Taxis that in the case of a person being sick or just wanting a break the way for them would be to have some sort of agreement that allows them to do that.

You would not regard that sort of agreement as subleasing?

They have got a bailment, they need to take time off, make sure the taxi can still operate, allow another driver to operate the taxi but also that person time to come off the job for a while whether it is a sickness or a bereavement in the family or just needs a break so they entered into an agreement so they can still come back and continue working. You would not regard that as a sublease?

Mr KIRKMAN: It does depend on the arrangements but I might get Greg to talk about it if we have had any examples of this.

Mr TURNER: Obviously, an operator can potentially install a manager. But as Andrew said, that agreement must not transfer the responsibility of the operation. Ultimately, the person who is issued with the licence is still responsible for the operation. That person may engage an employee or contract manager to make sure he is complying with the law or the vehicle continues to comply with the law. That would not be seen to be a transfer of responsibility. There are provisions in the Act that someone can have three months off a year. They can lay the vehicle up for those three months if they did not wish it to continue to work.

Madam CHAIR: In your submission, you made a distinction between subleasing and a network company managing licences on behalf of licence holders and refer to management arrangements as 'employer to employee'. That is on page 21.

Can you describe the relationship between the licence holder and the network manager in your knowledge?

Mr TURNER: Between the network and the licence holder there is an operator agreement. Once again, that is a commercial arrangement between the two parties. We do not get involved in that. But it is the obligation of the operator to pay weekly base fees. I guess in some cases where the network does a little more of the management, they can organise drivers for the vehicles. But I would not expect the network to be then paying regulatory costs such as new licence fees.

Madam CHAIR: Or the maintenance of the vehicle?

Mr TURNER: Once again, it would really depend on the arrangement at the time. Ultimately, I guess any arrangement that transferred the responsibility to the network from an operator and had within it a clause that the network must pay any fines for the vehicles, obviously that would be of concern.

Madam CHAIR: You are not aware of any that would be of concern?

Mr TURNER: I have not seen any evidence presented.

Madam CHAIR: If a network manager is actually employed by the network company, how is the relationship between a single licence holder and a network manager one of employer to employee? These are questions that we are struggling with. I go back to what I was saying in the beginning.

In your submission you made a distinction between what is a sublease and what is a network company managing licences on behalf of licence holders. You described that management arrangement as 'an employer to an employee'. But then you have a network manager who is actually employed by a network company. So, they are in fact, an employee. How can you describe that relationship between a single licence holder and a network manager as employer to employee?

Mr TURNER: I am not aware of that arrangement as a network manager. Sorry, I am struggling with that concept. My understanding is that a licence holder can—for want of a better term—employ the network to manage drivers. I am not aware of a third party in that being a manager.

Madam CHAIR: Each of the networks has a manager. In fact, we have heard from a couple today.

Mr RAE: Yes, that is correct, but ...

Madam CHAIR: But they would be the employee of the network.

Mr KIRKMAN: Do you want to respond to that one?

Madam CHAIR: Did you want to read that?

Mr TURNER: Alex just made the point that the sentence is actually, 'This type of arrangement is referred to as a bailment agreement', which means the taxi licences can be operated by that vehicle outside of an employee/employer relationship.

Mr RAE: There are some differences in a bailment agreement in that it is not a normal employee/employer relationship because insurances, superannuation and all that stuff has to be covered by the driver. It is not covered by the employer.

Madam CHAIR: Generally under an ABN?

Mr RAE: Yes and the Australian Tax office have accepted these bailment agreements in effect meaning neither party has to meet their normal employee employer relationships.

Madam CHAIR: Between the licence holder and the network though you are saying you would consider those bailments if they are managing the day-to-day operations of that vehicle?

Mr KIRKMAN: I think we would consider those a contractual arrangement as opposed to employee employer.

Madam CHAIR: Okay. I am struggling to feel how that is different to the transfer of operational responsibility which is what we would consider a sublease.

Mr KIRKMAN: Whilst I guess a manager in this case a network has certain contractual responsibilities to the plate lessor it does not mean that the plate lessor still is not responsible for doing those activities but yes I can see how there is a grey area here is there not?

Madam CHAIR: If we can ask him questions there. If subleasing were made illegal let us say we drew the line in the sand everybody then is on the same place. How could that effectively from your perspective be enforced? I guess that is one of the big questions for us.

Mr RAE: We would need to rely on evidence. If you are going to build that into the legislation you would build in a range of regulatory powers and powers to obtain information and all that sort of stuff that is part of the package of making subleasing illegal.

Madam CHAIR: Regulatory powers to allow you to gain the information that you would need.

Mr RAE: Yes. Investigation and require information.

Madam CHAIR: So we have anecdotal evidence to date that residency requirements for the licence holders are frequently not met? Could you tell us how frequently licence holders required to prove evidence of residency and I think we had this discussion before but you indicated that you were moving towards bank statements, is that correct?

Mr TURNER: I guess residency requirements are as Simon said last time they are tied up with the vehicle and potentially if they have a driver licence. Certainly when we get allegations we ask the question. The questions previously have been around here is the allegations can you put the allegations towards the operator. It is then difficult for us to obtain evidence that they are not resident if they say they are.

Madam CHAIR: Do you have the power currently to ask for bank transaction records?

Mr TURNER: We have very limited powers and obviously personal information is subject to the *Information Act* and there are certainly very clear restrictions around the transfer of

information there. We have express powers in the Act to ask the police commissioner for records. They are the only existing powers in the Act on the face of it.

I do not see any powers in our Act that enable us to compel other agencies or private organisations to provide information. We have clear powers when dealing with drivers and operators and networks but really it is limited to that.

Mr RAE: Further to that how we carry that out as a natural justice process we can ask-if we get information that somebody is not resident we can write to them and say we believe you are not resident you prove to us that you are.

Madam CHAIR: What sort of evidence would you get back?

Mr RAE: As Greg said a drivers licence in the Territory, leasing agreements for housing.

Madam CHAIR: You can get a 10-year driver's licence in the Territory.

Mr RAE: Power and Water authority bills. You can get a whole range of stuff to prove you are a resident in the Territory.

Madam CHAIR: Or a bank statement with transactions under your name would probably be a better way of proving you are here. You can get a 10-year driver's licence. It seems to be a bit of an issue.

Mr SIEVERS: I am hearing that it is mainly those investigations happen when someone informs you. Is there any process you undertake as a regular check and balance on these plate holders?

Mr KIRKMAN: Just to clarify the question, a regular check as to whether they are still a resident in the Territory at all?

Mr SIEVERS: Yes.

Mr KIRKMAN: When they come in to renew their licence there is an opportunity there to ensure they are still living in the Territory. Of course, it is difficult if they renew and then they leave again, but that is certainly a key point in time for us to check.

Mr SIEVERS: So, the Member for Sanderson is saying a 10-year licence.

Mr KIRKMAN: Just to clarify, I will get Greg to talk about what evidence-base we look for when we have accusations of people not residing in the Territory.

Mr TURNER: More recently we have reversed that proof of—burden of evidence, so we now are writing to the operators and we have quite a list of information we request, such as passport records, bank statements, maintenance records of the vehicle. So we have probably 10 points that we ask them. These are specific requests to say that you must. I guess, like Alex has said, it is a (inaudible) process. We suspect something happened, they may not be a resident anymore, so it is an opportunity for them to provide evidence to show that they are—if they choose not to provide that evidence then we need to make a determination of whether they are and it is considered to cancel.

The difficulty is that it is a decision based on non-evidence rather than evidence. So it is a very difficult decision.

Mr WOOD: What is the importance of residency? I can live in Kununurra and have a taxi or a plate in Darwin. I could also be living in Kintore. So the fellow at Kintore is okay, and he lives much further away than the person in Kununurra, so does the reasoning make sense that you worry about residency as a big issue?

Mr RAE: This goes back to what the taxi industry was like pre-1999, pre-regulation, where the majority of licences were subleased, not illegally because it was not illegal back then since operators owned the licences. They paid \$230 000 at the time for them. A lot of it was this absentee landlord system. So people were living in Kununurra and all sorts of places. There was no commitment to the industry locally. The industry was characterised by investors rather than people who wanted to provide a service.

Part of the 1999 stuff was trying to get people who were here into the industry who might want to make a commitment to the NT and provide a service.

Mr WOOD: I understand that. I can see cases where it does not make any sense. We also mentioned before, someone has worked here all their life and had to go somewhere else simply because they are sick or older, and that is their lifetime investment but they have to move interstate for whatever reason. So it seems to me that perhaps it needs a review of how it is managed. If it is trying to do what you say, it might pick up people who are legitimately interested in what is happening but do not live inside the Territory.

Madam CHAIR: The committee also understands that the department is required to inform licence holder allegations that are made against them in regard to subleasing and residency. They get that fairness that allows them to have a fair say. Is the department aware of any instances where drivers who have made subleasing allegations or residency allegations and have lost their jobs?

Mr KIRKMAN: I think there was a claim recently that we became aware of.

Madam CHAIR: Any others over time?

Mr TURNER: No.

Madam CHAIR: Do you think that if they are in that situation there might be some reluctance for people to come forward with evidence? Do you think there are better ways that complainants could be protected through an investigative process? Any ideas?

Mr TURNER: In the investigation process initially all complaints are treated confidentially. Obviously, the complainant's name is not released. It is certainly not conveyed to any other party. The only time it will be is during, say, a court appeal or potential prosecution. As a driver, if I do make a complaint and then the operator gets a letter, then it is probably fairly obvious who it has come from. It is certainly not part of the complaints process—short of the act of receiving a letter after ...

Madam CHAIR: That is the current system. Do you think there is any other way? Obviously, if I am driving for someone and I have made an agreement with them and all of a sudden everything goes sour, then I am probably the first person who will have the finger pointed at me once the investigations starts, regardless of whether it is confidential. Is there a better way that we can protect people to allow them to expose those sorts of agreements?

Mr TURNER: We are certainly bound by a formal complaints process. I would not ...

Mr KIRKMAN: We follow due process in our investigations. We make every attempt to keep names confidential when there are complaints. That is obviously standard practice. As Greg has pointed out, it is generally pretty clear, given the very close relationships, where complaints come from. We cannot stop people assuming they know and then acting on that. But we would certainly want to hear about it if that is happening.

Mr TURNER: Where it is shown that an operator has dismissed someone because of a complaint, then that would go towards the character of fit and proper. That is something we would take seriously and investigate.

Madam CHAIR: Thank you for that. Do you guys have anything? I have come to the end of my formal questions. Anything from this side? Anything else you would like to add?

Mr KIRKMAN: No, thank you.

Madam CHAIR: Thank you all for your time.

The committee concluded.
