



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

13th Assembly

Public Accounts Committee

Public Hearing Transcript

11.00 AM, Thursday, 20 July 2017

Central Australia Development Office, 55 Todd Mall, Alice Springs

- Members:** Mrs Kate Worden, MLA, Chair, Member for Sanderson
Mrs Lia Finocchiaro, MLA, Member for Spillett (Via telephone)
Mr Terry Mills, MLA, Deputy Chair, Member for Blain
Mr Tony Sievers, MLA, Member for Brennan
Mr Paul Kirby, MLA, Member for Port Darwin
Mr Gerry Wood, MLA, Member for Nelson
- Witnesses:** Mr Colin Dawson, Manager, Combined Cabs Pty Ltd (T/A Alice Springs Taxis)
Mr George Cooke, Combined Cabs Pty Ltd (T/A Alice Springs Taxis)
Mr Stephen Patullo, Combined Cabs Pty Ltd (T/A Alice Springs Taxis)
Mr Lynn Polglase, Combined Cabs Pty Ltd (T/A Alice Springs Taxis)
Mr George Jacob, President, Alice Springs Drivers Association
Mr Jaspreet Singh, Public Officer, Alice Springs Drivers Association
Mr Amrit Sra, Alice Springs Drivers Association
Mr Shakeel Husain, Taxi Driver
Mr Shiju George, Taxi Driver
Mr Samih Habib, Taxi Owner

The committee commenced at 11:00 am.

Madam CHAIR: I might just kick off, gentlemen, by allowing each of my colleagues to introduce themselves. Lia Finocchiaro will join us shortly.

Mr KIRBY: I am Paul Kirby. I am the Member for Port Darwin which is the city seat up in Darwin.

Mr SIEVERS: I am Tony Sievers. I am the Member for Brennan which is a seat in Palmerston.

Mr MILLS: I am Terry Mills, Independent Member for Blain in Palmerston. We are next door neighbours.

Madam CHAIR: And he is also the Deputy Chair of the Public Accounts Committee. I am Kate Worden, Member for Sanderson and Chair of the Public Accounts Committee.

Mr KEITH: Russell Keith. I am the Secretary to the Committee, so I provide the administrative support.

Mr WOOD: I am Gerry Wood, I am the Member for Nelson, which is the rural area, which from a taxi point of view is not the easiest place to get a taxi, especially for a one o'clock flight coming into Darwin.

Madam CHAIR: We have a little bit of a background on each one of you so we know where you are coming from.

Mr DAWSON: Could I ask one question? All you guys are from Darwin. Where is the Alice Springs representative?

Madam CHAIR: Robyn Lambley is an apology for today.

Mr MILLS: She is not on the PAC.

Madam CHAIR: We do not have a committee member on the Public Accounts Committee. The way it is formed is that it is a committee of parliament and people can put their hands up to come on. None of the Alice Springs representatives are on this particular committee. They are on lots of other parliamentary committees.

Mr DAWSON: That is disappointing; that is all.

Madam CHAIR: I will let you know that your local representative, Robyn, has made significant contribution to this inquiry already so she has been very active and very vocal, and of course this inquiry exists because Robyn put her hand up in parliament and brought it up as an issue.

Hi, Lia. Could you put your microphone on mute, please?

This gentleman would like to take a bit of footage while I am doing my opening, if you are happy with that?

Mr DAWSON: No, I would rather not.

Mr MILLS: What about if it was from the back and it was us?

Mr DAWSON: That is fine as long as our faces are not on it, because we are in the public and I do not want people to know.

Madam CHAIR: Obviously, it is public hearing today.

Mr DAWSON: I just do not want to be recognised because I am in a wheelchair and I carry people around and stuff, and I do not want them to know I am in a wheelchair.

Madam CHAIR: Okay, sure. On behalf of the committee I welcome you all here today to the public hearing into taxi licensing and subleasing.

I welcome to the table to give evidence to this committee representatives of the Combined Cabs Pty Ltd, trading as Alice Springs Taxis, Mr Colin Dawson, Mr George Cooke, Mr Stephen Patullo and Mr Lynn Polglase. Thank you for coming before the committee. We appreciate you taking the time to speak to the committee and look forward to hearing from you today.

This is a formal proceeding of the committee under the protection of parliamentary privilege. An obligation not to mislead the committee does apply. This is a public hearing and is being recorded for a transcript which will be made use of by the committee and may be put on the committee's website because it is in public. If you are concerned that what we will say should not be made public you may ask that the committee should go into a closed session which we are more than happy to do and we can then take what you say in private. It then means it will be excluded from going onto the website.

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 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 the inquiry that could damage the reputation of any person, you should ask the committee to go into a private session.

For the record, because it is being recorded, I ask each of you to state your name and the capacity in which you are appearing today. Mr Dawson, would you like to make an opening statement at all?

Mr DAWSON: No.

Madam CHAIR: We will start at this end. Could you state your name and the capacity in which you are appearing.

Mr PATULLO: Stephen Patullo, taxi operator, driving since 1995.

Mr POLGLASE: Lynn Polglase, taxi operator since about 1991.

Mr COOKE: George Cooke, taxi operator (inaudible). I have been driving since about 1994.

Mr DAWSON: Colin Dawson, taxi operator and manager of Alice Springs Taxis. No opening statement other than thank you for the inquiry. I appreciate your time and you investigating the industry. I just hope the whole truth comes out with this investigation because there have been a lot of allegations. I believe people have been given information and wrong information as well. That is all I have to say.

Mr WOOD: Madam Chair, can I ask one general question?

Madam CHAIR: Yes.

Mr WOOD: Who is the owner of Combined Cabs Pty Ltd?

Mr DAWSON: The owner of Combined Cabs is shareholders. We are a public company. There are 33 owners, technically. Sorry, 33 shares. There are two major shareholders, but they all hold one vote. Then there is Steve Patullo, George Cooke, Lynn Polglase and me who are shareholders as well. So we are all owners.

Mr WOOD: Is there another taxi company?

Mr DAWSON: There is another taxi company in town, but I do not know much about it and do not really care about it.

Madam CHAIR: If we were on the street, there would be two different cab companies?

Mr DAWSON: Correct. You have 13 CABS, which is 132227, and Combined Cabs, which is 131008.

Madam CHAIR: Okay, terrific. We have a series of questions we have prepared earlier. But questions come not just from us. If you have a question at any point, please just signal or ...

Mr DAWSON: It would have been nice to give an example so we could have looked at the questions, then would have been a little more prepared.

Madam CHAIR: These are really just for us as a guide. They are not set. We are not asking a set of questions, we are just asking questions that have come through some of the submissions we have had.

Mr MILLS: Quite straightforward.

Madam CHAIR: Regarding the ballot system, if we could start there, the broad question is do you think the ballot system should be the only way to allocate licences?

Mr DAWSON: Yes.

Mr PATULLO: Yes.

Madam CHAIR: It is fair?

Mr PATULLO: Yes.

Mr DAWSON: As long as it is run like they did with the last ballot in Darwin. To give you an insight on the last ballot, you had to prove that you were in the industry for a minimum of five years and you were a current driver, if you were driving, and stuff like that. That is fair because there are a lot of guys—taxi drivers and I will not name names—from Melbourne. We get a lot of drivers who come here for six months and then they want their own plate. They think they have earned and want their own plate.

As far as I am concerned you need to earn your stripes. I have been in it for 10 years, George 30 years, Lynn 30 years, Steve 10 to 15 years. I have my own plate but I had to do

my time, worked up through the ranks, been an operator, been a driver. As long as the ballot is done correctly with those rules, yes is the answer.

Mr PATULLO: I reckon the set of rules and guidelines to qualify to go into the ballot because the last ballot we had here was probably five years ago and there was so many names rolled into that that were not in the industry. There was people's wives and mothers and things like that. That is what is appeared to be. I might be exaggerating. There were 50 or more names and half a dozen were probably actually active in the industry.

Mr COOKE: It all stemmed back from when we had to buy our own plates before the buy-back happened and anybody could go into the ballot. It could be you or anybody. No affiliation, that is where all the trouble come from because they were buying into it as an investment, you know, no industry background. All they wanted was to lease to make money out of it without being any part of it and that ballot system carried on, you know what I mean? I think that is just backing up what Colin said, you have to have some background in the industry and actively be involved with it.

Mr WOOD: Should there be a wait list so that people who have been waiting the longest get first opportunity?

Mr DAWSON: Well that is unfair. I mean a wait list would be unfair but...

Madam CHAIR: Can I ask you why?

Mr DAWSON: Well a wait list would be like you hanging there for a plate. We want people in the industry that want to be in the industry. Like I enjoy being a taxi driver I am proud to say I am a taxi driver. I am proud to say I am a manager. These guys also—there is people out there who just want to drive because they know it is reasonably good money sometimes. The wait list—I think you need to do your stripes, you know, five years.

Mr COOKE: I am not all completely against that.

Mr POLGLASE: It stops a lot of the new ones. I spoke to a cabbie in Darwin just picking up in Darwin last year and he was really agro about how he had missed out on a few ballots. One African guy's name had come out in two and he told me straight to my face that he hated that man, if you get what I mean. They had been driving the same amount of time. One guy had gone into two different ballots and been lucky enough for his number to come out, and this other guy had not. He is just sitting there stewing away, you know what I mean? I could see a positive in a wait list, yes.

Mr COOKE: It is the same, you know, every ballot, it does not matter what it is. If your number does not come out you get a bit dirty, don't you? How did you get it and I missed out? You know, that is the same as anything when you have a ballot system, but it is the only way you can really work it.

Madam CHAIR: I was going to say to you, what do you think are the alternatives to it?

Mr COOKE: I still do not really know, when you have the ballot is it just a number out of the barrel?

Madam CHAIR: It is randomly done is what we understand; we have had some advice.

Mr COOKE: Yes, I do not know how else you could really do it unless you had a board and sat there and just say a plate came up, you had 20 applicants, whether you sat down and in your opinion and you picked out the best applicant rather than the ballot system.

Mr WOOD: That is sometimes how you get a job in a company. Twenty people apply for the job they pick out which is the best and that might also help the bloke that has been trying for 10 years that has a good track record but keeps missing on the ballot; you might say that is a bit unfair.

Mr COOKE: Sorry for butting in there. You might have a bloke that has been driving 10 years but has not got a good record, do you know what I mean? So if you see him and he is missing out all the time, well that is why you are missing out or there are definitely complaints against you. We do not reckon you are an appropriate person to be running your own taxi.

Mr KIRBY: Do you think some sort of peer assessment to get into the ballot to start with? Is it too small an industry to do that because everybody knows each other?

Mr COOKE: Time—and all you do is create another job. The way it is, is okay, but if you want to go away from a ballot that is what I would be doing, analysing each applicant.

Mr POLGLASE: The only thing I would add to that is that the names that go into ballot are all properly accredited operators not just the driver that has applied for accreditation.

Mr COOKE: You have got to be accredited to get the plate though. The cannot have a plate without accreditation

Madam CHAIR: Yes, that is correct. You do have to be accredited to get a plate

Mr COOKE: I know there are a lot of people in the process of applying for accreditation. They have out their names into these ballots and I do not think they should.

Madam CHAIR: Interesting. Do you think, flowing on from that, there should be a limit on the number of licences a person can hold?

Mr PATULLO: I do not, unless they are bad operators. As long as you comply with the government and company regulations, why can you not be half good at what you do? That is how I feel.

Madam CHAIR: I guess the alternate argument would be if you hold five, then that is four potentially that someone else cannot have the opportunity to access the same industry you are enjoying?

Mr PATULLO: Oh, yes, but we are not (inaudible) this industry ...

Madam CHAIR: I am not saying that is our view, I am just trying to ...

Mr DAWSON: If you have five plates it means you have been in the game for a long time.

Madam CHAIR: Or you have been very lucky in a ballot, repeatedly.

Mr DAWSON: Yes, but NT ballots do not come along very often. So the only way you would have five plates in your name without subleasing would be when the buy-back came in, I do not think there were any restriction on how many plates you could grab at that time.

Mr COOKE: No, there were no restrictions then.

Mr DAWSON: So you could walk in and say, 'I want five plates,' and they would give them to you.

Madam CHAIR: Yes, the cap was off for a while.

Mr DAWSON: We went up to 48 taxis.

Madam CHAIR: And what is the current level? Remind me.

Mr DAWSON: Thirty-six. And it nearly killed us. Went broke—lost 15 mini-buses as well. We lose. Anyway, I am not going there. We lose.

Madam CHAIR: I am interested in that. How long did it take for the numbers to come back? Or was it through a process of people handing them back and then not reissuing them?

Mr PATULLO: It came open in 1999 and then the cap came on in about 2003, I reckon.

Madam CHAIR: Four years.

Mr COOKE: And then it was just attrition rate.

Madam CHAIR: Attrition?

Mr COOKE: Because people just could not run it.

Mr PATULLO: They were going broke.

Mr COOKE: A lot of people can run a business and some people cannot. You know what I mean? The attrition rate came down and the cap came on and it evened itself out after a while. Mind you, it took a few hard years there.

Mr WOOD: Stephen said it is not a communist system and there is regulation, I suppose. There may be too much regulation. On the other hand, you have free enterprise, that is, the industry will sort itself out—unlimited caps and those who cannot operate would drop off. Do you have to find a balance, or is it a free enterprise market?

Mr PATULLO: We are a seasonal little town and our population is actually coming down a bit. We rely on those two or three months in the middle of the year. This fishing hole is only so big. If we have too many fishing boats out there, no one will make anything. The guys already in place—I know that is just washing us down the road. I see what you mean, but I worry that our town will not be able to ...

Mr COOKE: Sustain it.

Mr PATULLO: ... sustain it.

Mr COOKE: I will keep going back to the buy-back. When the buy-back came in, the standard of drivers in cars dropped. And I mean it just nose-dived. That plate was taken and we did not have it any more. Our sets were taken. You know what I mean? Then they opened it up. Anybody—any Tom, Dick or Harry—that came along got a plate. You know what I mean? Whereas once, it cost me \$160 000 to get into it. So if I invest \$160 000, I will put something back into it.

The cost for the plate—when that all went, there was no input. You could go and get a car. The first lot was \$15 000 or something. It was very easy to get into. But the overall standard of the taxi industry—I am talking Alice Springs because I do not know about Darwin—I reckon just deteriorated. It really did. The standard of drivers; everything. That is the problem if you open everything up the standard drops. The harder it is to get in, the better type of person you will have into it. I really mean that.

As Steve said, the town has to be sustainable. For the amount of plates to be fair, we are renting back now off the government \$16 000-odd per year. Surely, there is some onus on them to say, 'Look, we have to look after you a little,' to make it sustainable.

Madam CHAIR: I need to get on to subletting too, because we are on a bit of a tight time frame.

Mr WOOD: Quickly, from a consumer's point of view, if you have more competition is there a likelihood the consumer will benefit by cheaper fares?

Mr COOKE: I do not think you will get cheaper fares, because your fares are set; that is all regulated. There is no advantage there. Obviously, it is like anything. We have sub cars that are let off in busy times and it is like anything. You will have your busy times where you are not going to keep up and people are going to wait and then you come back two hours later and there are taxis everywhere. That is the same as anything. You go down Kentucky meal time and you are queueing up, queueing up. You know what I mean? It does not matter how many cars you have out there, if it is a peak busy time there is going to be a wait time. That is taxis, or whatever it is you have peak times for different businesses. It does not matter how many you have it is just a fact, the nature of the game. It is when.

That is why people look at it, that rep who come down from Darwin before. They seem to hit a busy time when people are waiting on the ranks and everything else but if they bothered to look at 8 or 9 o'clock in the morning or 9 o'clock at night they will see taxis queueing up. So it is all going to be weighed out to operate fairly.

Madam CHAIR: Can we move to subleasing?

Mr MILLS: Yes. So, if it is free market, which is an attractive idea, the problem is that you would have—say it is uncapped and free market—you would have those with licences coming in to cherry-pick at those times to the detriment of those who have committed to ...

Mr DAWSON: You have got people out there who just want to make money and then you have got people who are proud to provide a service.

Mr COOKE: It is just a dangerous precedent. I am not saying that to protect myself, but it is. We have had it. It has been tried. That is what I am saying. If it had never had been tried we could say, 'How do you know?' but it was tried. As I said we got up to 48 taxis and the standard plummeted. It gets that bad you had blokes getting out of their cabs (inaudible) over fares at airports, at motels, sitting there. You would get called for that job but they would try and dart in under you. You cannot operate like that.

You have got to have a certain standard to set. This is a tourist town. I did see it with my own eyes, especially at the airport. Blokes were pushing and shoving one another for a fare. It was like the old tow-truck days, you know what I mean?

That is what it got to, and the standard was as low.

Mr DAWSON: And it still happens today, what George is saying. The argument that you have reached a point where there are two companies in town. There is one company that thinks they own a particular hotel in town because they are getting under the table payments. We occasionally get jobs from this particular hotel, or we drop people off from the airport and stuff, and they like our service or whatever and they ring us on their mobiles directly, where the reception staff ring the other preferred company, is what I was told by the management up there. We would go to the place and we would be cornered.

At one stage we were blocked in and these two other—the company was arguing, so if you could imagine another 48 cars it is going to happen even more.

Madam CHAIR: I might move to subleasing if that is all right because it is a major part of the main thrust of our inquiry. Do you think that subleasing of taxi licences should be allowed to continue?

Mr COOKE: Yes.

Mr DAWSON: Yes.

Mr POLGLASE: Back at the (inaudible) the Australian Taxi Council came up with a program means of subleasing that the government at the time agreed to. I do not agree with these people that are selling their cars, and there is a number of people who have sold their taxis on a 12-month basis sort-of-thing. That should not be on, because they are just turning over the car numerous times in the life of it, and I do not think that is fair to anybody.

Madam CHAIR: I put it to you, though, that if on the one hand we have had a long discussion about how you want good people in the industry. For example, Stephen, you have never been able to get a cab, but subleasing is allowed, so there is a person getting out of the industry, so they simply sublet. How is that fair to you?

Mr PATULLO: How to be fair?

Madam CHAIR: You are waiting. You have been waiting, you have never come out in a ballot. You have been in the industry for 10 years. That is a question I have been mulling for a while with the information we have had to date.

Mr POLGLASE: Can I?

Madam CHAIR: Sure.

Mr POLGLASE: I have two plates. I have always had two plates. I lease one, I operate one—no driving but I am there; I am active with it; I have my eye on it. The one I lease, the one I operate myself. I do the shifts, I work on the car, the same as the one that I lease. I make sure that car is up and running too, because it still all comes back to me.

The only reason I sublease is because one of my drivers was involved in a bad accident and at the time I was short on drivers. I knew the bloke who wanted to lease off me. I have control over that lease. You know what I mean?

Madam CHAIR: So why not a bailment?

Mr POLGLASE: Well, a bailment is the same sort of thing as what I have with him, the agreement. Otherwise it would have gone back if I did not want that plate at the time. It would

have sat on a shelf. That is a plate out of it. It would have been gone until a ballot came up—off the road so you would be a car down.

Madam CHAIR: But then Stephen might have been waiting over there for 10 years for a plate to come up, and you are no longer using it.

Mr POLGLASE: Yes, but that plate will have to then go into a ballot and you still may not get it.

Madam CHAIR: So do you think there should be more regular ballots? Is that what I am hearing?

Mr POLGLASE: No, I do not because the way I work has worked very good. I know, and I will not sit here and pretend I do not know, I have had a lot of bad experiences where that has happened with a sublease where it has actually gone from a sublease to a sublease. Do you know what I mean? And that is where your trouble is.

Mr DAWSON: On that, can I add a couple of words about this?

Madam CHAIR: Yes, sure.

Mr DAWSON: Realistically, the subleasing has been going on for 30 years, right? The government is fully aware it is happening, has worked with it and has chosen to basically turn a blind eye. The problem started when a particular driver came to town of a different race, and they turned everything upside down by flashing money. They went to all the people who had plates and said, 'I will take your car'—I know for a fact —'for \$90 000'. Who will refuse getting a \$90 000 pay check for something they do not even own?

So, all the crap about subleasing came because of a certain race came to our town and turned the taxi industry upside down.

Mr WOOD: What do you see as your definition of subleasing? I have definition in the paperwork here that says someone who subleases, buys a car and hands that car over to the operator under the operator's name. Is that what you see yourself as? You are not bailment?

Mr DAWSON: Yes, that is correct. In subleasing there are a couple of ways they lease. As far as I am concerned, what George does—he supplies the car and they sublease it off him—is perfectly okay.

Mr COOKE: Everything is in my name.

Mr MILLS: Everything is in your name?

Mr DAWSON: Everything is in your name, you do all the maintenance and everything.

Mr COOKE: Yes, yes.

Mr DAWSON: To us the definition is like bailment.

Mr COOKE: Yes, it is. It is what I call that one, yes.

Mr WOOD: That is causing confusion here.

Mr DAWSON: Yes.

Madam CHAIR: Subleasing, from our assessment and what we are seeing, is where you literally give over day-to-day management, running, everything of that car. You get a payment, whether it is a weekly, monthly or annual, so someone else can have the full benefit you would be having because you have the plate.

So are you talking about that or are you talking about a bailment agreement, which is for someone to drive and you keep all of the control?

Mr COOKE: Well, I have a half-bailment. The agreement I have with him is very similar to a bailment lease agreement, if you understand. Everything is mine, but he runs that car.

Mr WOOD: Pays the fuel?

Mr COOKE: Yes, but even our drivers pay the fuel even when they are working they pay the fuel. That is every driver in the Northern Territory that driver he pays the fuel and then splits it the car pays the fuel on that shift.

Madam CHAIR: So, are these agreements in writing? You have got a written agreement?

Mr COOKE: My stipulation was you know, to stop anything in case—the guy I had more than seven years was the same fella, you know what I mean? It is a good relationship. If he gets out of it, the plate, you know, he cannot sublease.

Madam CHAIR: George, at which point would you consider giving that plate back in?

Mr COOKE: I would not. If he says ‘no’ I would just operate the plate myself now.

Mr PATULLO: There is people still left being in a long time. These guys predate the buy-back and that, I do not know I have got respect for that but they took all that risk financial personal risk and that to do it on a hard game in a hard little town. Yes, I reckon that have got some runs on the board. People sublease their plates because you know, health reasons, personal reasons I reckon fair enough; they have been in the game a long time and protect it, I reckon.

Mr KIRBY: I do not think you would get any argument. The argument comes when we hear stories about people having to set the car up, pay all those costs themselves and then make a very small portion out of it so that the scale of what people being asked to do, perhaps not here but in the larger town, it appears to me there is some different ends of the spectrum. I think what you are talking about is pretty well controlled whether it is titled a bail arrangement or a lease.

Mr COOKE: See that is how all the buy-back come from was originally, they had so much trouble in Darwin that is where all our troubles come from half the time. In Darwin it was sublease, sublease, sublease, and I said at that time fishermen were buying everything because it was an asset for them and the government of the day just got sick and tired of the subleases.

The blokes were leasing the plates off them because they were at their mercy and they were just up and up and up their lease and the poor buggars were flat out making them and out of it, you know what I mean. In the end Coulter was the man that was in charge at the time it was his portfolio and yes he came up with this idea to knock us all on the head and take our asset and that was the end of it. We had no say in it.

Madam CHAIR: Did you guys all get paid for that asset though? Did you not get compensation?

Mr COOKE: Yes, we got paid something, not what the plates were worth, but we got a percentage of it.

Madam CHAIR: We could actually have a conversation all day I think; there are things to learn on both sides. But there are just some questions around enforcement, if we could just take a moment.

We have become acutely aware about a possible lack of enforcement around some which is possibly why some of the situations have occurred. Do you see any areas that we could really improve in ways that we could improve the industry to make sure that things are properly regulated and things are by the book? Because obviously it is an industry you guys are proud of and you want it to continue that way and one rogue operator I guess can ruin it for everyone. So is there some suggestions you have while we are here?

Mr PATULLO: KPIs key performance indicators that the department you know we were working on—the biggest fall the industry has had is where drivers are given a job by the base the job appears because their GPS tracks to be the closest car. Old Mr Jones has been ringing us for 30 years he is two blocks away and wants to go in and do a shopping, that job is too small that guy does not want to do it he presses the button and he keeps driving off. That guy with the steering wheel in his hand—to improve the industry he has got to be made to go and do that job because you are the closest one do not hand it back.

Madam CHAIR: How do you do that though?

Mr PATULLO: Well, I do not know; stop take the button off the machine. In the old days you would not dare because the old lady behind the microphone would make sure you did, that is true. His wife especially.

Madam CHAIR: Now you are getting personal.

Mr PATULLO: The bloke with the steering wheel in his hand does not do it; the base is picking on me; they only give the good jobs to their friends. You know. all that. The office gets confused and all that sort of stuff, they only give the good stuff to their friends. They make me do all the little stuff. The standards have slipped like that.

Mr DAWSON: As the manager of the taxis, I hear what Steve is saying and it is ongoing, frustrating job managing this control room because yes, we do have people up there who love airports. They get this thing in their brain saying, 'I am going to get a \$40 airport job.' And stuff like that.

I have a stick and I love swinging it, and I try to swing it but when I do they go screaming to the authorities saying that I am being too hard on them and stuff like that, or they threaten to take me to court and stuff like that. It is a very thin line where we need to keep these drivers in line and when the government or the CPV have now allowed, or taken away the training which I think is absolutely ridiculous. They had Eagle Training; they had Les Whittaker. Eagle Training started here in Alice Springs and spent a lot of money putting the training manual together and everything.

Madam CHAIR: For new drivers coming into the industry?

Mr DAWSON: For new drivers and it was all internationally recommended and stuff.

Mr PATULLO: Things are moving and changing and on the training side of things as well, like they allow those guys in too easy. So all our drivers went through Eagle Training and they came to us sort of approved by them but now it is changing and the networks are supposed to say when a guy is ready or not and that, I do not know, is going to be a worrying move.

Mr MILLS: Through the Chair I would like to go back to the subleasing issue. Mr Cooke, what you have described from what I understand sounds more bailment than subleasing and I think the nub of the concern that has been raised is around the issue of subleasing. How widespread is subleasing in Alice Springs? Firstly, I think before going—can we get really clear on what is the difference in your mind?

Mr PATULLO: That is what I was going to come here and ask.

Madam CHAIR: Hang on a minute. We do have someone who can explain it fairly well the difference and that is Russell. I have heard him say it before. Could you describe a bailment? So we have got two experts who have explained it to us previously so we will give you what our definition of the two is.

Mr KEITH: Subleasing is when the person is fully operating the taxi and is responsible for the insurance, licence costs and the like so they are the full-time operator. They are taking on responsibility for managing the taxi.

Mr MILLS: So, does that mean you have the licence and now I have full responsibility for the vehicle, every part of it.

Madam CHAIR: The car still probably is registered with Russell ...

Mr KEITH: It has got to be still registered with the licence holder, but you might in fact own it or you might not.

Madam CHAIR: Or you are paying for it?

Mr KEITH: Or you are paying for the management costs whereas a bailment it is temporary possession of the car, the main responsibility remains with the operator. You will have, depending on the bailment agreement, responsibility for say, fuel and the like. But it is just temporarily borrowing the car, paying for that loan, but you are not responsible for the overall management of the car.

Madam CHAIR: So I might drive it for twelve hours and it is the agreement between myself and Russell about what happens with the money at the end of that shift essentially versus management of a vehicle. Is that clear?

Mr MILLS: Full responsibility for the asset itself which is the licence, the vehicle, the registration, insurance, the fuel ...

Mr WOOD: My understanding is that subleasing means that I want to be a driver, I will pay for the vehicle and that vehicle will be handed over to the licence holder. Is that what you see as subleasing? That is what is written in our documents.

Madam CHAIR: With that in mind, those differentiations, the question from Terry was, 'How far spread do you think subleasing is versus bailment in Alice Springs?'

Mr MILLS: Perhaps a way of making it clearer—Mr Cooke, you describe that there is a written agreement between you and your driver so it is clear and you retain full responsibility.

Mr WOOD: You pay for the car?

Mr COOKE: No, he paid for the car

Mr WOOD: And whose name is the car under?

Mr COOKE: Mine.

Mr WOOD: Then he is subleasing.

Mr DAWSON: But he is still involved in making sure that that car is run ...

Mr COOKE: Because at the end of the day it is still coming back to me.

Mr MILLS: How widespread is this practice ...

Mr COOKE: There is quite a few.

Mr MILLS: So there are 30-something taxis?

Mr DAWSON: No, we have 26 cars in our fleet.

Mr MILLS: Oh, in your fleet?

Madam CHAIR: You can only speak on your fleet.

Mr DAWSON: I can talk on our fleet. I believe there are probably four I can say.

Mr MILLS: Four?

Mr DAWSON: Cars that are leased. The rest, as far as I am concerned, are on a bailment agreement, yes.

Madam CHAIR: Really, to run a car for 24 hours, you have to have a bailment agreement with a second driver.

Mr DAWSON: There is no written ...

Mr MILLS: Nothing written? Bailments do not have to be written anyway.

Mr DAWSON: No, it is more of a common—you are driving my car for 12 hours, we go 50/50 on everything.

Madam CHAIR: Yes, that is bailment.

Mr DAWSON: I have a permanent driver in my vehicle. He pays me 50/50 on everything. I have the same with my night shift. I believe, as I said, there are four cars out there that I know are on a lease agreement where the owner has no responsibility.

Madam CHAIR: Really participates. Excellent. Before I finish, do any of the committee members have any further questions?

Mrs FINOCCHIARO: I do, Kate.

Madam CHAIR: Thank you, Lia, sorry. For everyone in the room, that is Lia Finocchiaro in Darwin. She was not able to make the trip down. Go ahead, Lia.

Mrs FINOCCHIARO: Just on the bailment and subleasing. From the way Mr Cooke explained it, for me there is still a question on whether that is a bailment. There is a written agreement, there is a time frame for the agreement, he is still responsible for maintaining the vehicle. There is probably a really blurring of distinction of what a true sublease and true bailment is. That is how I feel. I do not feel that specific scenario is not strictly a bailment, or perhaps something in between. I think that is something for me to consider.

We talked in the past about education around which is which and what is suitable. Do you think it is obvious there is a need for some form of having other drivers use vehicles? I am not so sure it is really clear cut at the moment. I guess that is maybe more of a comment.

Madam CHAIR: Thanks, Lia.

Mr DAWSON: But there are drivers out there who do not want responsibility and the headache of driving a taxi.

Madam CHAIR: Agreed. They just want to drive for 12 hours.

Mr DAWSON: They just want to drive, get their money and go away for the day.

Mr WOOD: Are there any other arrangements you can have besides bailment?

Mrs FINOCCHIARO: It is probably more about targeting, like you guys were saying before, the sublease on the sublease on the sublease, and some of that behaviour we are hearing about where people can be pressured and there are no usually agreeable circumstances. That probably needs to be flushed out, whether there is as level playing field, a proper agreement, everyone understands the terms. Maybe it does not sit nicely in the current category of sublease or bailment. Maybe a new category with a different version or something could be looked at to incorporate the needs of licence holders and drivers while providing safe, secure and agreed access and understanding of what those arrangements are.

Mr DAWSON: A bit more onto that. I believe it states that if you leave the Northern Territory, as soon as you do, you are not entitled to that plate. I fully back that. To me, that is leasing and profiteering, because you are not involved in the industry, you do not care about the industry, you are just after your money.

Mr PATULLO: That is if you are sitting on the beach somewhere.

Mr DAWSON: Yes.

Mr PATULLO: There are people who move away because of health reasons ...

Mr DAWSON: No, no, you have me wrong, Stephen. I am saying people who are not involved in the industry. Yes, I know of one owner who has gone interstate because she cannot get treatment for her cancer here. So she has gone away for a year, I think, but she

comes back. I am constantly in communication with her. She has put management on that car, so I am happy with that agreement.

But I am talking about people who are just sitting interstate and do not give a rat's arse about the industry.

Madam CHAIR: Or overseas.

Mr DAWSON: You have people here who have been in the industry for 30 years. They should be allowed to sublease their plate. Why should they lose their plate after committing themselves for 30 odd years in the industry providing a service to the industry and the community and stuff like that and you have got people just coming here for two years and want to take a plate.

Madam CHAIR: The difficulty is Colin, that we might have people out there as I said earlier that have been sitting there for ten years and if that place does not go back in then that person still sits there for another ten years and has no opportunity to participate, fully participate in your industry. And I am not saying that that is right and that is right I am just saying there are the two opposing views and they just do not sit neatly side by side. So it is just something for...

Mr DAWSON: If you have got someone who is in the industry, has been in the industry and still lives in the Northern Territory and still is active as a shareholder as an owner who comes to meetings and stuff like that, I do not have a problem with that at all because he is still active in industry. I do have a problem with people who are just sitting down at the beach enjoying their martinis and stuff and just pulling off money off a person and then they turn around and they go if you do not pay me more I am going to pull that plate which has happened several times.

Madam CHAIR: I just need to come to the last questions.

Mr MILLS: Can I get some clarity on this? Steve, I judge this is supported by all of you, is that tightening up and clarity around the qualifications to enter into a ballot so get that very clear what qualifies one to be in a ballot. And it strikes me from what I am hearing and what we have read is that it needs to be very, very clear about bailment and subleasing and make that clear and public so that everybody knows. So clarity on both those areas would probably remove much of the confusion and the angst so we would have to then focus on what are these sorts of agreements and how public they are so that everybody knows what is going on, that they are registered perhaps.

I think you have made a very good point about qualification for ballot and I am hearing we need to have great clarity around subleasing and bailments and that is the focus that is going to have to be in that area I suspect.

Mrs FINOCCHIARO: And to add to that, bringing back some sort of driver training seems like that was beneficial like when the drivers were going through Eagle training by the time they got to have a licence operators asking for a job there was a base level of industry understanding.

Mr DAWSON: I believe that came from Darwin again because all the operators there that had five or six cars were having difficulty getting drivers in there because it was too hard. I mean, it was mandatory they had to have an English test and stuff like that goes through to CDU and they did not want that to happen. I have had a personal experience just recently with the course I did where someone on their application said 'Yes, I speak English very

well,' so I allowed him on the course. Then half way through the course I thought 'My god, he does not understand English.' But I was committed because I had already accepted his money to be on this course, so I had to go through it.

But then at the end of the course I said, 'Mate, I cannot sign you off because of this and that caused a whole lot of grief'. So I think what Lia is saying it that training is a must.

Madam CHAIR: George, you had something to say?

Mr COOKE: This got real messy the subleasing quite a while ago but the people involved there those plates have gone back into the system they do not have them, do you know what I mean? That is where all the-really angst and everything came over this and that is more or less-we have just about cleared everything up like that because the government has actually taken those plates off them.

Madam CHAIR: Do you have any final words?

Mr PATULLO: A couple of people were stripped of their plates. I reckon three cheers on the department of weeding them out.

Madam CHAIR: I will let you gentlemen know that if you did want to add anything look out of here you have got something else to add we are still while we are doing this taking further submissions if you wanted to put anything further in that would be great. We really are grateful for you time today. Thank you for your insights it is really important for us to hear from everybody so thanks again and that is the end of our session. Thank you.

We will have our next group in.

Thanks, gentlemen.

Madam CHAIR: We might formally kick off the session. On behalf of the committee, I welcome you to this public hearing and we welcome you to the table to give evidence to the committee. I will note we have a change over, but we do have Mr George Jacob, Mr Jaspreet Singh and Mr Amrit Sra.

Thank you for coming before the committee and we appreciate you taking your time—I know you guys are busy—to speak to the committee, and we really look forward to our conversation today.

It is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee does apply. As this is a public hearing and a transcript is being made for use by the committee if you are concerned that what you will say should not be made public we ask that you ask the committee at any point-just say, excuse me- and we will go into a closed session. We can take your evidence in private.

The committee appreciates that this inquiry does raise 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.

If I could, because we are making a transcript could I get each of you to state your name and the capacity in which you are appearing?

Mr JACOB: My name is George Jacob, I work as a taxi driver.

Mr SINGH: Jaspreet, I am working as a taxi driver as well.

Mr SRA: I am Amrit Sra, I am a taxi driver.

Madam CHAIR: I will do the same courtesy this side and we will start down that end just to introduce ourselves.

Mr KIRBY: I am Paul Kirby, I am the Member for Port Darwin, which is the city seat in Darwin.

Mr SIEVERS: I'm Tony Sievers. I am the Member for Brennan, a seat in Palmerston, next door to Terry.

Mr MILLS: I am also from Palmerston, Member for Blain, Terry Mills.

Madam CHAIR: Kate Worden, I am the Member for Sanderson, which is northern suburbs seat in Darwin and I am the Chair of the Public Accounts Committee.

Mrs FINOCCHIARO: And I am Lia Finocchiaro, the Member for Spillett which is a seat taking in part of Palmerston and part of Darwin.

Mr KEITH: I am Russell Keith. I am the secretary to the committee, so I provide support to the committee.

Mr WOOD: I am Gerry Wood. I am Member for Nelson. I look after part of the rural area around Darwin and 0.1% of Palmerston.

Madam CHAIR: We are slowly pushing him outside.

What we will do, we have got some questions. They are here to guide the conversation today. At any time others might have a question so I will lead the main questions and you will get other questions; if any time you have got a question please feel free to ask that question.

It is around taxi licences and how they be allocated. One of the reasons for this inquiry was the concern about the allocation of licences without a ballot in 2015.

Have you read the explanation of what occurred in its submissions to this inquiry?

Mr SINGH: Yes, we already read it. I think we sent an e-mail as well about what we thought about that submission.

Madam CHAIR: You read the department's explanations, you have read the department's information as well?

Mr JACOB: Not the big booklets—the small ones.

Madam CHAIR: They did make an extensive submission.

Do you have anything you wanted to say in response to what the department has ...

Mr SINGH: Well, it is not a part of democracy what they have done. It is a dictatorship. The people waiting up here for long to get their own taxi. They are waiting for the process, like the ballot system which was there¹. So even if they had some kind of policy, they need to publish them for the public. They did not do that. So, we were not aware of what they have done. More important, they clearly mentioned that in their submission that subleasing is illegal.

So if they are promoting the same people who were doing. It is mentioned in the submission that these people were doing subleasing. So they handed over the paperwork, 'I was subleasing this car, I was subleasing this car'. And they have been promoted. So it is totally a dictatorship. They are not following their own rules, their guidelines, their fit and proper ...

Madam CHAIR: We would also like to talk to you about the cap. If the taxi licence cap remains in place—we are not saying one or the other—how then do you think taxi licences should be allocated? Obviously, the way it was done last time ...

Mr SINGH: If it remains, I think that is the question, if it remains. The last government had done the survey and it is all in the survey. I think it is in the paperwork they have sent, that provision.²

Madam CHAIR: One of the government reports previously?

Mr SINGH: Yes, yes. It is clearly mentioned 57% of people want open market. It includes drivers, owners and the public. And it is also mentioned 61% of public also want an open market so that people get their chances.

Madam CHAIR: But if it stays in place, which way do you think licences should be allocated?

Mr SINGH: Well, if it says, it needs to be changed what they have done. They have done wrong so they need to change that first if they want to follow that same process of ballot system. Democracy must be introduced. What they have done wrong they have to admit they have done wrong, take their plates back and put it in the ballot so that we can get the chance.³

Madam CHAIR: Those plates that were allocated?

Mr SINGH: Yes, of course. That is the only way they give us justice, otherwise there is no justice. It does not mean if I go to the court and say I killed someone they will just say, 'Okay, he is here, he will not do it in the future, let him go'. That is the way it is not in question.

Mr KIRBY: I that because of your feelings that there was an admission that taxis were subleased before the ballot? So that means the ballot was not a fair process?

Mr SINGH: I am not saying about ballot. I am just questioning the policy they have used. Ballot is a right process. They are giving everyone a chance to put their name. It is a lottery system. It is just your luck. If you have luck you will get your plate. But if they think like these people, not getting into the ballot and get that under the table, that is not fair.

In addition to correcting transcription errors, Mr Singh provided the footnoted clarifying comments on the transcript:

¹ Add: earlier but not followed in recent allocation of 4 taxi plates

² Delete this sentence and add: If the capping remains then the taxi licenses should be allocated in a way that one owner one taxi should be the criteria.

³ Add: Lastly we feel that one owner one plate should be the criteria.

Mr WOOD: Did you also understand the legislation? I know there might have been a policy, but legislation allowed the director to make up his or her own mind about how they should be allocated. The legislation ...

Mr SINGH: Of course, it is in the policy they have written, if you guys have read that as well?

Madam CHAIR: Yes, we have.

Mr SINGH: The fourth point they were saying, they asked the people and they got this declaration from the people that no one else was interested. Can you believe that? Did they follow that policy? They never asked us.

Mr WOOD: Do you think there should be a wait list rather than a ballot so as to bring in the business waiting a long time?

Mr JACOB: No, because Northern Territory, we never know how long the people will stay here. If you do not get a proper business or you cannot be here, people have moved from here, so the waiting list does not count.⁴

Madam CHAIR: But a wait list can be checked. Every year. Public housing has a wait list and every year they go through and check if the person is still here and still wants a house.

Mr JACOB: But there is already an existing ballot system which has been that the department uses. We just ask them to follow the same thing.

Madam CHAIR: So, you are happy with the ballot as long as it was run the way it originally was before they did that?

Mr JACOB: Yes, perfect.

Madam CHAIR: On the ballot system then, who should be allowed in the ballot, do you think, and why?

Mr JACOB: The taxi drivers ...

Madam CHAIR: Because last time around they had some parameters ...

Mr SINGH: They have their own rules like 'fit and proper', like the people who are 'fit and proper' according to the department; they do not have fines or they do not have any convictions or other things like that, the behaviour of the person like the gentlemen have mentioned so that is the only process to ...

Madam CHAIR: What about length of time as a driver?

Mr JACOB: If he has been driving for a long time he is entitled to go for the ballot.

Madam CHAIR: What is a long time?

Mr JACOB: That is what ...

Mr SINGH: Whatever the department is saying, like five year we are happy with that.

⁴ Add: We support the open market strongly and plates to be allocated on an agreed period of service being served in the industry.

Madam CHAIR: Are you sure you are happy with that?

Mr SINGH: Yes.

Madam CHAIR: Yes. Because that was not an old thing. That is a fairly new thing.

Mr SINGH: They change when they released the full plates, they change it into two years because one of the drivers was just driving for two years. So whenever they want, they change it. That is not the way.

Mr JACOB: Even we did call them and ask them whether we can get in the ballot because he said, it is only two years you cannot get in the ballot. It should be five years.

Madam CHAIR: And it should be changed to two?

Mr JACOB: And the people who won the plates, they got two years. They say something and follow differently.

Madam CHAIR: Do you think there should be a limit on the number of licences a person can hold?

Mr SINGH: We do not believe there must be a limit of the licence. In every business the rule is, if you find out there is some money, only then you can spend your money to make money back.

If there is no money in the industry no-one—like they were saying there was 48 taxis and 50 taxis. There is spending as well. If you spend \$100 000 then you can start making money. Like no-one is like that much I think. We have to assess first like is there money in the industry then you can for a taxi plate. If there is no money then there is no point that I am spending my \$100 000 for no reason, that I am making nothing out of this.⁵

Madam CHAIR: So what you are saying is that people will not enter into an industry if there is no money to be made.

Mr SINGH: That is the logic. It is not the way that you are forcing the industry like just only just these four people are allowed for work and others are just forced to work as a slave for them.

Madam CHAIR: So if there was a ballot, and you got a car you should be able to be in the next ballot as well?

Mr SINGH: Well, if I am working for the last five years only then I can apply.

Madam CHAIR: So you should be able to have more than one car licence?

Mr SINGH: Well, one person, one car is the main agenda.

Madam CHAIR: So no more, so once you have got one licence that is it.

Mr SINGH: If you got another car it is going to be a sublease I am going to give it to someone else to drive.

⁵ Delete last 2 paragraphs and add: Yes we strongly believe that one person should be having one taxi plate as it is a source of income/type of employment and every single person serving the industry deserve to be an owner.

Mr WOOD: I am getting a bit confused there. Forgetting the ballot, you think there should be, that anyone should apply for a licence.

Mr SINGH: It is not just we want, it is according to the surveys. It is according to the steering committee what they have decided and why the government have announced something else I do not know.⁶

Madam CHAIR: So you are suggesting a lifting of the cap.

Mr SINGH: Yes.

Because according to the standing committee, they are expecting 200 new cars, 200 commercial cars in Darwin so why are they worried about 20 taxis? 200, it is mentioned. They have written it. It is not written by me or anyone else.

That is Uber. That is exactly the same thing you know. 200 extra cars and what is the difference going to make another 10 taxis.

And another thing like if they are going to open the market that all subleased cars have to go back because they will not going to be able to find the drivers. The person who is eligible, he is going to apply for a licence, he will get it and the government will make money out of this. It is going to increase their revenue.

Madam CHAIR: I guess government is not necessarily overly worried about revenue, it is more worried about having a robust industry.

Mr SINGH: Well then if the government is worried about the industry they have to work for the public, what the public wants, what the public demands. Like it is nothing going to happen in Alice Springs so why are they reducing the money, the base, the serial faces up here? No competition is coming to Alice Springs. The people will not going to get any service up here. And still the government want to pay the levy from that, and from the Katherine people and from the Tennant Creek people, from the Nhulunbuy people.

Mr WOOD: Do you get bad behaviour in the industry like people wanting to be on the front line at the airport and getting deals with the hotels that you only ring us not them. Would you get some lowering of standards if you have got just open slather because open slather means just competition; competition can be brutal.

Mr SINGH: Competition is competition. Well it depends, like no-one can prove that the other company have deals with the hotels. We are guessing. That is why they are calling them. The hotels are getting service from that company so that is why they are calling them. Why we are blaming them that they have—some hotels are working for different company. Some hotels just call us; they never call another company. Then, what we can say, that my company is paying them? It is not the way. It is just a blame game. That is why they are calling them.

Mr JACOB: You can do a good service, they will be calling. But if you cannot reach them on time, the customer is only not happy. So they will not be happy with the company, that they are doing a good service for them. So the ones that looks after them, they get priority.

⁶ Delete sentence and add: It is not acceptable that anyone can apply for the license. The person who serve the industry should only be the applicants.

Madam CHAIR: I might just jump back to subleasing, because it is the core of what we are on about. In your minds, can you estimate how widespread you think subleasing is? Some of you were in here for discussion about ...

Mr SINGH: I have the numbers of the cars.

Madam CHAIR: ... what subleasing is. So you are sure in your minds, before we go ahead, the difference between subleasing and bailments?

Mr SINGH: Yes, we know.

Madam CHAIR: Yes? So we do not need to go through that again? I know you were in the room when we went through extensively before. So, how widespread?

Mr SINGH: Fifty percent.

Madam CHAIR: Fifty percent?

Mr SINGH: Yes.

Mr WOOD: How many is that in number?

Mr SINGH: I have the numbers up here—taxi numbers, the owners and the subleases.

Madam CHAIR: So that is not a bailment? That is people who are actually managing ...

Mr SINGH: For the bailment with the driver. It is not with a third party.

Madam CHAIR: No, no. To be clear, if I have a bailment with you, it is because I am asking you to drive my car—you might have your own ABN. But you are driving my car for the 12 hours that I cannot drive it and we have an agreement between us that you will split the fuel and the income. That is a bailment.

Mr SINGH: That is the fair ...

Madam CHAIR: That is a bailment.

Mr SINGH: Yes.

Mr SINGH: Yes⁷

Madam CHAIR: And that is quite prevalent in the taxi industry. That is the standard that we, as a community, has come to understand.

A sublease is a completely different arrangement where, whether it is in writing or not, you are fixing the car, sometimes in some circumstances you have bought the car but have it registered in the name of the person who owns the licence—all those sorts of things. You are making all of the income, you are literally running that taxi like you would if the plate was your own. They are two different things.

Mr SINGH: Yes.

Madam CHAIR: So, the figure you have given ...

⁷ Add: We agree to the definition of bailment but it is nowhere followed in Alice Springs and the details of the violation has been provided.

Mr SINGH: It is on a sublease basis.

Madam CHAIR: It is on subleasing, not bailment?

Mr SINGH: Not the bailment.

Madam CHAIR: Okay.

Mr WOOD: We need those figures.

Madam CHAIR: Are you willing to share that with us? I will get these ladies to get that, if they can? Thank you very much.

What impact do you think the extent of subleasing is having on your industry?

Mr SINGH: Sorry?

Madam CHAIR: What impact is subleasing having on the industry?

Mr SINGH: By subleasing, the people who are deserving, the one who is working in this industry—like I am working 12 hours and some are working even 14 hours—they are not getting their chances. They are the ones who are working for the community. They are the ones who are working in this industry. Because of subleasing they are not getting the chances.

Mr MILLS: With respect, the question is about the quality of the service to the community, not the aspirations of the person who is driving the taxi. What effect does this have on the service that is provided to the community?

Mr SINGH: What do you mean by quality? What sort of quality ...

Mr MILLS: What effect does this arrangement have on the industry?

Mr SINGH: The open market, you mean?

Mr MILLS: No, the subleasing. What do you see ...

Madam CHAIR: The subleasing.

Mr MILLS: As I heard you respond, the concern you have expressed about subleasing is that you do not get a fair go at owning a licence or running it? Okay?

Mr SINGH: Yes.

Mr MILLS: That aside, what other effect does it have on the industry?

Mr SINGH: Well, that is the only effect, I believe. That is the only effect we feel. The deserving people who have been working here for maybe five years, 10 years, are not getting their chances. They are the industry. The one who is working in the industry, that person is the industry. He is the labourer. He is making this industry. If the deserving person is not getting his chances, then there will be no industry.

Mr JACOB: The (inaudible). They will not get an opportunity ...

Mr SINGH: They are forced to stay with the biggest. There is a certain number—36. You cannot get more than that. The people who are not in this industry are subleasing their cars. There are proper channels like I have mentioned to the steering committee as well. The proper channel if I do not want to drive, I am supposed to give this plate back so that a new person can get it—the deserving person can get it. But this is not happening.

Mr MILLS: I understand the point. I want to know, in your view, if this is a detriment to the quality of the service to the community and in what way?

Mr SINGH: Well, it is not doing anything with the quality I do not think.

Mr MILLS: That is alright.

Madam CHAIR: Drivers are still giving a good service to people.

Mr SINGH: Of course, yes. We are not distinguished between the ...

Mr MILLS: That is alright. I just needed to separate those to the point at being made very clearly.

Mr JACOB: If the car is subleased the driver looks after the car and he makes sure that everything is doing in a good way. The mechanical and even the MVR people are also checking on the cars. That is where the quality is (inaudible). That is what I know.

Madam CHAIR: So, I understand you that guys are against subleasing you do not want subleasing to continue?

Mr SINGH: No, that is why we want one out of one page.

Madam CHAIR: Hypothetically, if subleasing continued, let us say hypothetically in what way should you think it should be regulated?

Mr SINGH: Well, if we want to control the number of cabs you cannot get over this subleasing thing. It will always be there. People want chances people do not want to work under someone. They want their own car so they are paying for that. So we cannot control this subleasing if you control the numbers. Like, we know that there is a restriction of the grog in Alice Springs. There are hundreds of people who are selling. So if you are for something you cannot get out of this.

Mr WOOD: You do not think it can be regulated? Can you regulate sublease or can you do it without it?

Mr SINGH: If you are going to regulate then it is going to be another problem. Like in the submission the department mentioned, it is going to be a black market. People are going to offer this much or this much. This is not the solution.

Mr JACOB : (Inaudible) more people will enter the black market. They will be sitting ...

Mr SINGH: That is why the whole of Australia is opening the market. That is why they are buying back.

Mr WOOD: So, you would prefer either the owner of the licence to drive himself or bailment?

Mr SINGH: Yes. This is according to the Western Australia Government, how they control subleasing. There is a rule like if you want a plate on a sublease you have to drive minimum 20 hours a week. If you are not driving you have to give that back. This is the paper this is on their assessment of taxi lease plate application.

Mr MILLS: So, in WA you cannot have more than two taxis?

Mr SINGH: Well, I am not sure how many taxis a person can get but if a person gets a plate on a lease he must drive 20 hours and also make sure that his car is on the road Friday and Saturday nights. If he is not doing that then his taxi will be cancelled.

Madam CHAIR: So, in your view if the cap got taken off-and it is hypothetical again we are just asking these questions-what would be the effect in Alice Springs, how many drivers would get their own licence-would apply?

Mr SINGH: How many drivers complete their five years? It is just only five or six.

Mr JACOB : If it does have a restriction for five years then it will only be for around less than ten taxis will come up.

Madam CHAIR: Less than ten.

Mr SINGH: Then also the taxis' on sublease they have to go back as well.

Madam CHAIR: So they would go back in?

Mr WOOD: Which is 14. Is that right?

Mr SINGH: Yes.

Mr WOOD: Fourteen subleases.

Mr SINGH: And also one company hold eight plates. One person is holding eight plates. He will not get drivers as well.

Madam CHAIR: The people that are driving would go off and get their own cars so there would be a lack of drivers, so some of the cars would go back in is what you are saying. So there would be a shift in the industry rather than ...

Mr SINGH: Yes, of course this will happen.

Mr KIRBY: Those that you are documenting, how many of those would be written agreement, do you think? Written subleasing agreements?

Mr SINGH: Well, you cannot get into someone's (inaudible) and get their agreements, so that is hard for us. It is part of the inquiry if you guys are going to do who is looking after the car? It is really easy with the MVR—who is going to pay CVLs up there? Who is going to register cars up there? Because we know that the subleases have a letter, like it is signed by the owner. 'I cannot come to the office. This person is doing the CVLs and registering the car on my behalf.' Why?

Not just only once or twice or three times it is happening for the last ten years and no one is questioning. The error is in the department, I believe.

Mr MILLS: To test this, Uber comes to town what is preventing you going across to Uber?

Mr SINGH: Well, if you ask me I did ask the question to the Uber person in steering committee—they said we are not interested because the town is too small. No competition is coming and even the department and the government has said someone will come. Who is someone? For the last two years they are saying someone will come. We know that town is small.

Mrs FINOCCHIARO: Say if people were interested in coming to Alice Springs, is what they offer attractive to drivers?

Madam CHAIR: Do you think that many drivers would possibly stop being taxi drivers and become Uber drivers, if they can?

Mr MILLS: Hypothetically.

Mr SINGH: Of course, yes. I am in touch with the drivers in Darwin. If they (inaudible) they will definitely jump in to Ubers. They are not getting their future in the taxis. They are forced to be a driver for a long time, to work like a slave. If they are a person like me, after you guys know what happened with some of the things up there, if someone is going to raise the (inaudible) then he will be kicked out of the industry.

If that is the solution, it is definitely is going to happen with me as well. This is not the solution. People are forced to work for someone. It is not a democratic system. You cannot force someone. If someone is asking about their rights, he will be kicked out. Why?

Mr WOOD: When you say forced, you do not have to be a taxi driver.

Mr SINGH: I do not have to be, but if I ask for my rights, like I am doing now, and then I will be kicked out of the industry then that is not a good system.

Mr WOOD: There is no union because you are making the agreement with the owner of the taxi to work for them ...

Mr SINGH: There is actually no agreements in Alice Springs.

Madam CHAIR: We were going to ask about that as well. You have no bailments?

Mr SINGH: Nothing up here. Not at all.

Madam CHAIR: What do you think of the idea of registered bailment?

Mr SINGH: At least the job must be secure. If someone wants to sack me then at least he will give some time. 'I am not happy with your services. You are not giving me enough money,' or, 'You are not looking after the car, so I am giving you a month so you can get your car.' But up here, someone is going to send me a message, 'I do not have a car for you in the morning'. Where do I go?

If you ask the department they said it is totally up to the owner. He can do it.

Madam CHAIR: I presume everybody works on an ABN.

Mr SINGH: Yes.

Madam CHAIR: Can we ask you about enforcement? You have touched on it a couple of times. We have heard issues around the lack of enforcement about how the system currently is. While you are here, would you be able to give us any ideas about how we can improve as a government in terms of enforcement around ...

Mr JACOB: What does enforcement actually mean?

Madam CHAIR: It is a whole range of things. For example, subletting.

Mr SINGH: They have a rule in the book and it looks good. They have nothing to enforce that.

Madam CHAIR: So how do you think that could be enforced? What are the ways the current rules could be enforced?

Mr SINGH: The first thing, if they want to control subleasing they have to learn something from Western Australia government. Like, ask the people who are holding the licence.

Madam CHAIR: So have some regulation around, that can be tested?

Mr SINGH: Yes. And the rules must be rules for everyone. It is not pick and choose. This rule is different for me; the other rule is different for someone else. This is happening, and we have proof. I have sent an email to them but they do not have an answer.

So how are we going to change this behaviour? I do not know.

Mr WOOD: One thing that worries me with subleasing is that you buy the car, the car goes to the owner with the licence. Have you got any protection that would stop the owner from selling that car?

Mr SINGH: No. Not at all.

Mr WOOD: Even though you paid for it?

Mr SINGH: That is what happens. It is mentioned in the submission. The owner changes to someone else because someone else was offering more money. It is clearly mentioned in the submission of the department. No one has no rights to stop anyone because the car is on the owner's name and the plate is on the owner's name. Just because you paid for that, it is not going to stop anything. This is what happened with those four guys. It is clearly mentioned in the submission.

Madam CHAIR: When that happened, did you guys get advised as drivers that there had been a change in policy? Did you know about it until now?

Mr JACOB: This accreditation was taken before the four plates were called back. If they (inaudible) interest in doing that, they should let me know that you are not allowed to take the accreditation for the plates that have already been allocated.

Madam CHAIR: So, you did not know about the change in policy before that decision came out and you found out about it?

Mr SINGH: Nothing, nothing.

Mr JACOB: And even on the bottom of this letter it states that.

Madam CHAIR: Do you want to read that for me, please?

Mr JACOB: There is a cap on the number of taxis' operating in Darwin and Alice Springs area. Taxi licence in Darwin and Alice Springs is (inaudible).

Madam CHAIR: And that letter came out at the same time?

Mr JACOB: The (inaudible) is subject to licence availability and that takes at least three weeks.

Mr SINGH: I think I was the one who asked the question on 8 November 2015. I want why it happened and how it happened. They did not send me this policy. I think they may just for this inquiry.

Madam CHAIR: So, you found out about it after it happened?

Mr SINGH: No, they did not send anything. We came to know when the inquiry starts.

Madam CHAIR: This inquiry?

Mr SINGH: Yes.

Madam CHAIR: Okay.

Mr SINGH: We did not know about that policy. The policy paper they sent it because we just get it through you guys. Nothing.

Madam CHAIR: You did not know about it before then? When we made their submission public and that was ...

Mr SINGH: Even, we hired a lawyer and we spend a lot on a lawyer. They did not give us any evidence why they have done. They said it is just because of the financial hardship. If I am doing a crime I know I am attempting a crime. I am spending money on that, so it is my bad if I have been caught.

Madam CHAIR: Yes.

Mr WOOD: One of the problems I have seen from other hearings is that there does not appear to be any proof that subleasing is illegal.

Madam CHAIR: No, we cannot find anything that says it is illegal.

Mr JACOB: (Inaudible) that subleasing is not allowed, so that is what they have told us.

Madam CHAIR: Yes.

Mr SINGH: So we just go round and round? Nothing is going to get anything. We just go round and round.

Madam CHAIR: For us it is black and white. You have either got legislation that supports it or you do not and currently we cannot find there is any legislation to say it is illegal.

Mr SINGH: That is why we are saying just open the market, everything will be sorted out, we will get our justice and they will hold their own plates what they have. So nothing will change. So we will get justice as well.

Madam CHAIR: I will just ask any of my committee members for any additional questions. Lia, do you have anything else on the phone?

Ms FINOCCHIARO: No, not for me.

Madam CHAIR: Do you wish to raise any thing further with the committee before we end the session?

Mr SINGH: If we ask like the submission that the department have made, you guys believe that they have done the justice?

Madam CHAIR: None of us can make comment at the moment. We are in an inquiry and the stage we are at we are in a fact finding mode. We are actually out listening and taking as much information as we can so that we make informed decisions. At the end it is not for us to say that is correct and that is not correct.

Mr SINGH: Alright, we get it.

Madam CHAIR: We do disagree already with the department. They seem to think that subleasing, and we have said that clearly to you today, that it is illegal we do not currently agree with that. That is about the only sort of thing that we have come to so far. There have been no agreements. We are literally just listening and hearing what people have got to say.

Mr SINGH: Alright. Another question, we all know that no one was making submissions from Darwin.

Madam CHAIR: So there are submissions from Darwin, I will just let you know that.

Mr SINGH: Just let me complete. I got a phone call from the committee that they want someone who can make submission, and I gave the number of (inaudible) and the committee contacted him and he asked people to make the submissions. Now he lost his job because of that thing, so what is the justice? He is sitting at home for the last two weeks. He has rent to pay, he has groceries and all that, so who will look after all these situations?

Madam CHAIR: That matter has come to the committee. We are not in a position to discuss that matter because some allegations have been made that obviously need further inquiry.

Mr SINGH: That he not going to get anything for him?

Madam CHAIR: Hang on. He has made an allegation that the Public Accounts Committee has no jurisdiction to investigate. There are other processes for that. Our role when we take in submissions from anybody that wants to put in a submission, from our perspective and from my perspective as the Chair, that information has been kept completely 100% confidential.

We do not have an investigative opportunity and we are not going to either but we have processes, other processes that they have been referred to. We cannot discuss them now because they are a private matter at the moment. Mr Singh has chosen to make some of those obviously his allegations public but we cannot comment on that.

There are processes for that to occur and I can tell you that they have been referred to those processes and that is all I can say today.

Mr MILLS: I will add that the committee takes it very seriously.

Madam CHAIR: Very seriously.

Mr SINGH: Because he is sitting at home and has nothing to do.

Mr MILLS: We understand.

Mr SINGH: He tried another owner's car. He just gave him one day, and another day he sent the same message, 'Sorry, I ...'

Madam CHAIR: We have taken it seriously and all I can give you is an assurance that those matters will be dealt with in an appropriate manner. But it does not sit with this committee. We do not have the power to investigate. All right?

Mr MILLS: We have responded as we can.

Mr SINGH: Thank you.

Madam CHAIR: Thank you for your time today, gentlemen. We really appreciate you meeting with us. If you have anything further you would like to add—you might walk out the door and think, 'I should have said this or that'—you can still put those things in writing to the committee through the written forms. All right?

Mr SINGH: Thank you.

Mr DAWSON: Thank you.

Madam CHAIR: Thanks for coming in.

The committee suspended.

Madam CHAIR: On behalf of the committee, I welcome you to this public hearing into taxi licensing and subleasing. I welcome to the table to give evidence Mr Shakeel Husain and Mr Shiju George—we will just call you George, yes?

Mr GEORGE: Yes, that is okay.

Madam CHAIR: Thank you for coming before the committee. We appreciate the time you have taken to speak to us and look forward to hearing what you have to say today.

This is a formal proceeding of the committee and protection of parliamentary privilege applies, along with the obligation not to mislead the committee. 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 closed session and we can take your 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 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 on what 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 kick off, could you please state your name and capacity in which you are appearing today.

Mr HUSAIN: Shakeel Husain.

Madam CHAIR: Driver?

Mr HUSAIN: Yes.

Mr GEORGE: I am Sihju George and I am a driver too.

Madam CHAIR: I will ask my committee to introduce themselves as well.

Mr KIRBY: I am Paul Kirby, the Member for Port Darwin, which is the city seat in Darwin.

Mr SIEVERS: I am Tony Sievers, the Member for Brennan, which is a seat in Palmerston.

Mr MILLS: I am Terry Mills. My seat is also in Palmerston—Member for Blain.

Madam CHAIR: Terry is also the Deputy Chair of the Public Accounts Committee.

Mr MILLS: An Independent member of parliament too.

Madam CHAIR: I am Kate Worden and I am the Member for Sanderson, which is a northern suburb seat of Darwin. I am the committee chair.

Mr KEITH: I am Russell Keith. I am the secretary to the committee, providing support to the committee.

Mrs FINOCCHIARO: I am Lia Finocchiaro, the Member for Spillett, which is the seat that runs across Palmerston and Darwin.

Mr WOOD: I am Gerry Wood, the Independent Member for Nelson, which is part of the rural area of Darwin.

Madam CHAIR: The way we conduct this is we have some set questions. I say for the record that we have not yet made our way through all of them with each group, but we tend to get things we become interested in and different members of the committee will ask questions as we go. There is an opportunity at any time if you want to ask questions to make sure you do the same.

I will ask you a little about the licensing cap, if I can, if the cap remains in place. At the end of our inquiry we make recommendations to government and they are just that—recommendations. If one of those was for the cap to stay in place, how do you think, under that cap, it is fair for taxi licences to be allocated?

Mr HUSAIN: At the moment it is the situation in Alice Springs that if a cap remains it is good for Alice Springs. Because if there will be another (inaudible) It will be like lots of number of cars in the town. But it should be if you are removing the cap under the regulations, under special circumstances, like if you can let the cap, but not more than 50, 60 cars because this town will not accept it.

Madam CHAIR: Too small.

Mr HUSAIN: If lots of cars come, this business goes down and you cannot get any money from this business.

Madam CHAIR: So, you are saying make the cap higher?

Mr HUSAIN: If you remove the cap for a while. The only situation I think is good is if you remove the cap for some time and the people who actually want to do the business can get the cars and will start using their own business. After that, one person using one car - that car will (inaudible) in Darwin. It can go like that.

Madam CHAIR: So, do you believe in the cap or do you think the cap should stay in place or ...

Mr HUSAIN: In both situations, we have to think about that. If you keep it like that, it is hard for the driver.

Madam CHAIR: The flow on.

Mr HUSAIN: If you leave the capping it is hard for all of us.

Madam CHAIR: Let us say the cap stays in place. For this scenario, for our discussion now, let us say we recommend to government that the cap stays in place. How then, if that cap stays in place, do you think is fair for licence allocation? Here it is 36 cars. Tomorrow, a few are handed back in, what is the best process you think for the allocation of those licences, to be fair?

Mr GEORGE: I would like to mention a couple of things. If you put in a new licence, it is people who already have a licence. People are holding too many licences here.

Madam CHAIR: So, how many licences do you think you could have?

Mr GEORGE: One person, one car.

Madam CHAIR: One person, one car.

Mr GEORGE: Also, those who are paying GST and have been driving for at least six or seven years in Alice Springs.

Madam CHAIR: A minimum amount of time driving would be fair?

Mr GEORGE: Yes, five or six years minimum. Also, those who are paying GST and those who are citizens or permanent residents.

Madam CHAIR: So, GST, citizens ...

Mr GEORGE: Then they are eligible to get the licence. They have to drive at least, this is where they are living, instead of subleasing to someone else. They have to live here as well.

Mr SIEVERS: So, the GST will confirm that the person owns the car?

Mr GEORGE: It does not mean so. They are hard to drive, and also one car, one person, does not mean you can do the improper thing as a right thing.

Mr GEORGE: I think as long as you—if anyone is making the money, it should be (inaudible) to the government as well. At the moment lots of owners, you can see, only drivers are driving, no owners. No one is an owner.

Madam CHAIR: So if you own, you should drive?

Mr HUSAIN: Yes. That is the reason of lots of people being ripped off here. Because drivers have to make money for themselves and for the owner. So if the owner is driving it is not going to be like this situation. They can look after everything. They can look after their self, their licence and customers as well, because they do not want to lose anything. But with a driver, if they lose—lots of drivers are doing lots of things and if the taxi manager knows he sacks them.

Madam CHAIR: They are doing the wrong thing.

Mr HUSAIN: Yeah.

Madam CHAIR: Because there is no investment. They do not feel that they have invested.

Mr HUSAIN: It makes the industry's name bad. If you are working with something like we are working for Alice Springs Taxis, so we are working for a good name. It is not just that we are making money and going home.

Madam CHAIR: Do you support subleasing or not?

Mr GEORGE: I am not supporting subleasing, no.

Mr HUSAIN: I do not about the legislation because before we had a problem and Lia (inaudible) was our lawyer. We put that we had a complaint, and we gave our case to her. She knows us, me and George.

Mr GEORGE: She used to be (inaudible).

Mr HUSAIN: We was in the situation that time. I asked her and she said, 'There is this, this, this. And what you guys are doing is illegal, so it is better you can get away from this thing'.

Madam CHAIR: So you do know the difference between subleasing and a bailment?

Mr HUSAIN: Now we understand what is subleasing. When I started in the taxi industry in 2009 and I never knew what was subleasing and was bailment.

Madam CHAIR: But now you do know the difference between a bailment and subleasing?

Mr HUSAIN: Yes. Now we know because we have been working seven or eight years.

Madam CHAIR: Do you think there are any benefits at all for subleasing?

Mr HUSAIN: The only benefit is to the owner. He does not need to work; he can just give it to the driver.

Madam CHAIR: The argument you put before is if there is not an investment into the industry then people do not have standards and they do bad things. But if I invested by subletting, so have a sublet from Gerry, then I have an investment because it is costing me money to put that in. Would there not be a benefit that I would treat my clients better and look after the industry and do the right thing, because I have an investment; whether it is a sublease or not, it is still an investment.

Mr HUSAIN: One thing I can tell you is there (inaudible) subleasing at the moment I can see in this industry. One is the total investment is doing the person who is doing the leasing.

Madam CHAIR: So they have the car; they have everything; they buy the car.

Mr HUSAIN: If I am leasing you a plate, I have to spend all the money for the plate and everything.

Mr MILLS: So I have a licence and you pay for everything?

Mr HUSAIN: Everything. There are two types of that.

Mr MILLS: Is that what you are saying?

Mr HUSAIN: Yes. The first thing is one type of licence where you invest everything and you give to me and say I can drive two shifts. And you give it to (inaudible). This is my taxi and I give you approximately this much money. That is the thing. The second thing is I have to invest everything but I have to pay you something because of your plate. These two types of subleasing are going out.

Mr MILLS: Can I get that clarified? So if I hold a licence and you invest everything and you just pay me a fee to use my licence, that is one.

Madam CHAIR: That is that you rented the plate.

Mr MILLS: Number two is that I have the licence, invest everything, and?

Mr HUSAIN: You are handing to me and you are not driving. I am driving. Giving you set amount of price weekly. The current rate is \$2200 a weekly day and night.

Mr MILLS: And in those two scenarios either licence holder do not drive the car at all, is that right?

Mr HUSAIN: Yes, that is right.

Mr MILLS: What is the arrangement that you would enter into if I am their licence holder it is my car and I cannot drive 24 hours a day what is the arrangement then between the licence holder and owner and the driver? What is the agreement there?

Mr HUSAIN: There is no agreement. It is just a shift work, okay. It is like a eight to 12 hour shift whatever you want to do. Same thing, at the moment the owners they are doing the eight hour or 12 hour shift and then they are giving their car to their driver and the driver is making money-is making half for him half for the owner.

Mr WOOD: Is that not bailment?

Mr HUSAIN: There is no bailment.

Madam CHAIR: No, no that is bailment. Just to be clear in the industry it seems that that is exactly bailment you do not have to have a written bailment. A bailment is agreement between me as the owner and you as the driver that you will drive 12 hours. You will pay half/half for the fuel and then we will split the profit. The takings on the night we might make \$400 on the night you take \$200 I take \$200 even if it is just between us just as an agreement that is what it is called in the industry is a bailment

That is one of the things we have had to get our heads around because nobody seems to use that language even though that is exactly-the department uses the word bailment-and in other places just for your interest, in other jurisdictions there are registered bailments. You will have an agreement you will have to write it down and then lodge it with the department so the department always knows what agreement it is for cab 54 or whatever it is that you have got. There are big differences.

Mr WOOD: Do you have a problem with bailment?

Mr HUSAIN: No, if that is as she is explaining, that is right. I was not aware of that, you know. It is a (inaudible). I have seen the thing, but now it is clear.

Mr WOOD: It is not subleasing.

Madam CHAIR: Yes, there is a very big distinction and what you are describing is something you have just clarified for us, two different types of subleasing, so that is a nice clarification.

Mr HUSAIN: Not offensive but this is what happens—what the realistic thing is.

Mr MILLS: You understand, we need to get very clear on the difference between subleasing and bailment and that there are different forms of subleasing as you have just described. We just need to get clear on that, okay.

Madam CHAIR: If subleasing became illegal tomorrow what effect do you think it would be on the industry? So, we stopped all subleasing tomorrow, the department said no it is not happening when out and made sure that it did not happen-what effect do you think that would have on the industry?

Mr HUSAIN: Nothing. Next day all we will start doing the driving. That is all the effects.

Madam CHAIR: Drivers would start driving again.

Mr HUSAIN: The owner would be starting the driving. Otherwise if they are not going to drive they have to give back to the MVR.

Madam CHAIR: Do you think there might be some plates put back in? Do you think some owners they would have to hand them back in really? If any owner was living interstate do you think they would come back and start driving their cars?

Mr HUSAIN: At the moment the current situation is I am not against the owners I am not against the drivers as well. I am just saying the thing is if owners not driving the only problem

is people getting ripped off. That is the thing. If owner is driving they can look after it they can ask their driver they have found this money—come from?

Mr MILLS: So, who is getting ripped off?

Mr HUSAIN: Passenger.

Mr MILLS: The passenger?

Mr HUSAIN: Yes.

Mr MILLS: How?

Mr HUSAIN: At the moment they are charging extra to the passengers.

Madam CHAIR: Because they are not making enough money?

Mr HUSAIN: Yes, that are just thinking like we have to pay to the owner and we have to make money ourselves. They do not worry about anything else.

Mr MILLS: How does the passenger get to pay more than they should?

Mr HUSAIN: I think it is 90% or 80% Alice Springs they are paying with the BasicsCard and the rest is cash or the debit credit cards.

Mr MILLS: So it is the transaction around the access to the BasicsCard?

Mr HUSAIN: Yes.

Mr MILLS: In exchange for cash?

Mr HUSAIN: Yes.

Mr MILLS: Does this happen often, do you think?

Mr HUSAIN: Yes. It happens a lot. If all things will be stopped—we are stopped—all the drivers coming from different states—Victoria and all other states—they stop coming to Alice Springs and only people if Alice Springs—drivers from Alice Springs—will start driving and they can make reasonable money for their living.

Madam CHAIR: Except on the other side, if we took the cap off and everyone could get a licence. There might be too many cars and then you cannot make a living.

Mr HUSAIN: I think it is unfair if you just lift the cap and give an opportunity to every driver to go and drive. What about the driver who has driven for seven or eight years, and the other driver came for just one or two years and they started working for the ...

Madam CHAIR: If the cap was lifted, you cannot apply without having some extensive experience—is that what you are saying?

Mr HUSAIN: Yes, you need to. You are right. That is what I was saying in the beginning. If you lift the cap, you know the special circumstances of that one. You have been driving in Alice Springs for approximately five to seven years, you are paying your taxes, your GST and are a permanent resident—like lots of things ...

Madam CHAIR: Make it nice rigid, so you can apply for one but you have to have this, but if you do not have that, no.

Mr HUSAIN: Yes. In that situation, if you put it like that, only your government, you can get only a few people—they can cross this border.

Madam CHAIR: And it is only one licence per person?

Mr HUSAIN: Yes.

Mr GEORGE: Basic. That is the main thing. We now hear that people are hoarding so many licences. Instead of holding this licence, people will stop this kind of this as well. They get an opportunity—one car, one licence by one person.

Madam CHAIR: I see it this way: if you took the cap off and everyone applied for one, you still have to have drivers—people who just drive—otherwise you can only drive for 12 hours, then your car would have to come off the road, you would need other drivers. There are only that amount of people who are qualified to drive. There is not this amount. I cannot imagine, if the cap came off tomorrow—and I am not saying that; we have not even had discussions whether it is the right thing to do or not ...

Mr MILLS: This is not a committee view.

Madam CHAIR: No, it is not a committee view. But potentially, we have to think about what would happen. Realistically, there would not be enough drivers. And nobody will just move to Alice Springs to become a driver, are they?

Mr GEORGE: I will explain. People never stay here a long time. People come and go. It has always been no problem here. But because people think that driving a taxi is more money and can rip off this and that—that is what they are thinking. Certain people come and tried it with the licence once they become permanent residents. So those sort of things are happening here.

Madam CHAIR: But you will not get an influx of suddenly getting 50 taxi drivers. I cannot imagine that you would suddenly get ...

Mr GEORGE: I believe, as you were saying, this is going to attract the driver. But this will not attract the people who get 50 or 60 cars. At the moment, the same cars will stay here. But the drivers who want to drive—that is what I am saying. Who wants to drive honestly, he will be keeping working in that business. If someone does not want, he will go away.

Mr HUSAIN: Also, one car, one person will make more cars here. So makes some adjustments—make a law or something, so we could get more chance to be a clear picture. Everyone to get an opportunity, so people will stay here.

Madam CHAIR: One of the issues that has been raised with us is that there is possibly a lack of enforcement around what is currently happening in the industry. Do you have any suggestions about how that enforcement could be done better?

Mr GEORGE: For example?

Madam CHAIR: For example, subleasing. The department thinks it should not happen, but it is clearly happening.

Mr GEORGE: Yes.

Mr KIRBY: You have just given us about three different examples of what we call bailment or bail arrangements and a couple of different types of subleasing. Do you think there will be benefit in drivers coming into the market being trained in what those are and what is and is not allowable?

Mr HUSAIN: The second thing is what is allowable and what is not. That is a great thing.

Madam CHAIR: So, more training and more information?

Mr HUSAIN: Yes. Before it started—I think training started in 2012/13. I cannot remember when it started in Alice Springs. There was no training before when I started. After a couple of years Eagle training started.

Madam CHAIR: Do you think that was beneficial?

Mr HUSAIN: That was beneficial. Since that they are getting proper training. They are getting more proper training, but still lots of things need to be done. Like, people are not wearing their uniform. (Inaudible).

Madam CHAIR: So is there a role for the department in some of that stuff, like, making the industry better?

Mr HUSAIN: I am not sure about that.

Mr GEORGE: Uniform and proper stuff, these sort of things.

Mr HUSAIN: Yeah, maybe that (inaudible) they know.

Mr GEORGE: (Inaudible).

Madam CHAIR: So you do not have any suggestions about how the department could make—so there is legislation that regulates the industry. So I think from the committee's perspective, and certainly in some of these things we read, there are things going on in the industry that probably should not be going on. Do you think there are better ways that the department can look at those things?

Mr HUSAIN: Industry at the moment, like all these—the basic thing that I explained already is the more things the department can find out then they can see what they can do.

Mr GEORGE: They choose to be one company before Alice Springs Taxis, and that has been split because of the new drivers that are coming from interstate. (Inaudible).

Madam CHAIR: Explain that to me. Alice Springs has seen an influx ...

Mr GEORGE: It used to be a one taxi company before.

Madam CHAIR: How long ago did we get the second one?

Mr GEORGE: Two years ago, is it?

Mr HUSAIN: Three, I think.

Madam CHAIR: Three years ago. Am I hearing that there is a difference between the two? So there are two different sorts of drivers with the two different companies?

Mr HUSAIN: Yes. And we are getting affected because of those guys because our taxi company, Alice Springs Taxis, are very old. They are getting approximately jobs from everywhere. The other company is a new one. What happens is when we get a job and we go there to pick up our job, they go, and we cannot do anything about that.

Madam CHAIR: So they are not really playing fair?

Mr HUSAIN: Yeah. And they know where we are getting good jobs, but they are always sitting over there. Our industry people never sit anywhere; they go everywhere to pick up the job.

Mr GEORGE: It used to be one company.

Mr HUSAIN: It used to be one company, and if someone was making anything like that they can be questioned. But now you cannot ask the question from the next company. That is what our manager says. He is responsible for the cars working under Alice Springs Taxi, but he cannot give answers to the car working at the other company.

Mr GEORGE: It used to be going very well until some drivers make some mistakes and the taxi industry went very strict laws. You can do this, you cannot do this, sort of thing. There are other conflict situations that came out and they just told them there are some issues. People with other companies come from interstate and the next day they start driving. Because they can get ...

Madam CHAIR: They do not have to train.

Mr GEORGE: They just drive straight away.

Mr HUSAIN: (Inaudible) the other company.

Madam CHAIR: So, different ways of operating.

Mr MILLS: You suggest these people are coming from outside Alice Springs?

Mr HUSAIN: Yes. They are from the whole of Australia.

Mr MILLS: And they know their way around Alice Springs?

Mr HUSAIN: Yeah, because their friends are living here ...

Mr MILLS: They have GPS.

Mr HUSAIN: ... and they are telling them that is what is happening in Alice Springs so you can come. And they are coming in. Most of them, you will not believe, they are students in a different state and working in Alice Springs. That is what I believe, but I do not know.

Madam CHAIR: Just in terms of bailments, because I think we have an understanding of what a bailment is, in your industry do you know about what the most common types of agreements are between drivers and licence or plate holders? What sort of agreements do most drivers have with the plate holder?

Mr HUSAIN: There is no agreement; just you go ...

Madam CHAIR: It is a verbal agreement?

Mr HUSAIN: There is no verbal agreement, actually, it is just that 'I want to drive with you'. If I want to drive your car, I go and ask whether I can drive your car and you say, 'Yes, you can drive my car'. This is what is happening like this. You can start from tomorrow. There is no written agreement, there is no ...

Madam CHAIR: But how do I know what I will earn?

Mr HUSAIN: You can tell them a couple of things, like if the car is involved in an accident, you have to pay the excess. There are a couple of things we can discuss with them, but there is no agreement you will work like that. This is the job agreement, you can say. That is not ...

Madam CHAIR: What would the common agreement be, though. I must understand what I will earn. At the end of the day, let us say I have taken \$400 in taxi fares ...

Mr HUSAIN: It is a half/half.

Madam CHAIR: Half/half is the most common?

Mr HUSAIN: Yes, it is the most common.

Mr MILLS: No other arrangements?

Madam CHAIR: What about other arrangements?

Mr HUSAIN: No, no. Other arrangements is with some people—what they are doing is asking a set amount. They are calculating what is their expenses weekly, and on top of that \$300, \$400, they are saying, 'Okay, you pay me weekly this much', and that is fine.

Madam CHAIR: Okay. So, it is either a weekly amount or the 50:50 split?

Mr HUSAIN: The 50/50.

Madam CHAIR: Under the 50/50, who pays for the fuel?

Mr GEORGE: It is all 50/50.

Mr HUSAIN: Half of. Everything is.

Madam CHAIR: Everything is half/half?

Mr GEORGE: It is the amount of fares, no tyre replacement, no staff wages or anything, just ...

Madam CHAIR: Straight up, 50/50?

Mr GEORGE: One will make the total, minus fuel ...

Madam CHAIR: Then I have to pay—if I am the driver, though, do I pay for all the fuel? No, that gets taken off ...

Mr HUSAIN: On half/half you have to.

Madam CHAIR: Half/half. Do you think that is the most common agreement there is, the half/half?

Mr GEORGE: Yes.

Mr HUSAIN: Yes.

Madam CHAIR: Out of interest, for an average shift in Alice Springs, for a driver who does 12 hours a day, would you work six, seven days a week?

Mr HUSAIN: Five, six days, yes.

Madam CHAIR: Can I ask what you would earn out of that?

Mr HUSAIN: \$350, \$480.

Madam CHAIR: Between \$350 and \$480?

Mr GEORGE: It can go up to \$450, depending ...

Madam CHAIR: Depending on the season and how good you are?

Mr HUSAIN: Depends on the jobs.

Madam CHAIR: That is for the whole week?

Mr GEORGE: No, daily.

Madam CHAIR: Daily?

Mr GEORGE: Daily, \$350 to \$400, but out of that there is 50% goes to the driver and 50% to the owner.

Madam CHAIR: So, then, 50:50.

Mr HUSAIN: Yes, 50:50.

Madam CHAIR: You are saying that most agreements are just verbal. Most people going into the industry understand how it works?

Mr GEORGE: There are subleasing, set price, everything is here.

Madam CHAIR: Yes, you talked about the two different types.

Mr GEORGE: Yes it is all out here. It is all under the desk.

Madam CHAIR: Nothing in writing?

Mr GEORGE: Nothing.

Madam CHAIR: Do you guys have any other questions?

Mrs FINOCCHIARO: Not from me, Kate.

Madam CHAIR: Not from you, Lia. Do you guys have anything else you wanted to raise with us?

Mr HUSAIN: Sorry, what did you say?

Madam CHAIR: Do you have anything else you wanted to raise?

Mr GEORGE: Yes.

Madam CHAIR: Ask away.

Mr GEORGE: We have been driving eight years here. I am driving 420 and he is driving 419, We are just paying on a monthly basis at the moment. It used to be we can pay it three months or six months, like that. I heard all licences are to be cancelled. I am just wondering ...

Madam CHAIR: I have not heard anything like that.

Mr GEORGE: Yes, that is the reason why we would like to know. We heard—what about you?

Mr HUSAIN: Yes, that owner's licences are getting cancelled because of some—I do not know why ...

Madam CHAIR: The owners of your cabs?

Mr HUSAIN: Yes.

Madam CHAIR: Only relating to you both?

Mr HUSAIN: Yes.

Mr GEORGE: Yes.

Madam CHAIR: Can we leave that and park it for a second? Out of the session, I can take those details and can ask the question of what is happening because that is a separate issue.

Mr GEORGE: No problem.

Madam CHAIR: Sure. All right. Thank you, gentlemen, for your time today. If you do think of something else that you wanted to let us know, you can always do that confidentially and in writing. We possibly already have your e-mails. If not, these ladies will be able to provide you an e-mail afterwards.

Mr GEORGE: What will be the outcome of this meeting?

Madam CHAIR: From us?

Mr GEORGE: Yes.

Madam CHAIR: We will gather all our evidence. We have had confidential submissions. We have a submission from the department which is now on the website for you to look at. We are in an evidence-gathering mode at the moment and at the end of that, we will deliberate and come up with some recommendations we will make back to parliament. Then, it will be up to government which of those recommendations they implement. Correct?

Mr MILLS: Yes.

Madam CHAIR: Yes.

Mr HUSAIN: The last thing I would like to say at the end is that I am not taking offence against the owners, not against offence against the drivers. That is the peer thing, whatever I was thinking in my mind. I have been working on a taxi for seven years ...

Mr GEORGE: And we are not against ...

Madam CHAIR: We are here to try to make it fairer and better for everyone. We see that clearly as one of the things ..

Mr GEORGE: And you are not against our company as well.

Madam CHAIR: No. You presented very fairly today, gentlemen, and I appreciate that. I will come out and meet with you for a second. We will pause. We will take a two-minute break and come back. Okay?

The committee suspended.

Madam CHAIR: Samih, welcome on behalf of the committee to the public hearing on taxi licensing and subleasing. Thank you for coming before the committee and we appreciate the time you are taking now to speak to the committee and look forward to listening to you today.

It is formal proceeding of the committee that we are inducting you now and the protection of the parliament privilege and the obligation not to mislead the committee does apply. This is a public hearing and a transcript will be made 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 we 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 the inquiry that could damage the reputation of any person you should ask the committee to go into a private session. If you could just state your name and capacity to kick off the inquiry.

Mr HABIB: Samih Habib and I am a member of this taxi industry for probably the 1980s. (Inaudible) maybe 100 times. Director of the company; I operate two cars.

Madam CHAIR: You are a director of a company? What is your company name?

Mr HABIB: (Inaudible) or whatever you want to call it.

Madam CHAIR: You are the director?

Mr HABIB: Yes, one of them.

Madam CHAIR: And you own two cars?

Mr HABIB: I own two cars I operate two cars.

Madam CHAIR: Samih, you are one of the major shareholders?

Mr HABIB: I am one of the major shareholders.

Madam CHAIR: Major shareholders. I understand from earlier that there a two major shareholders, yes?

Mr HABIB: They come and they go.

Madam CHAIR: I will just get us to quickly introduce ourselves.

Mr KIRBY: I am Paul Kirby, the Member for Port Darwin.

Madam CHAIR: So you know everyone, you are all comfortable that you know everyone.

Mr SIEVERS: Hi, Samih. I am Tony Sievers, Member for Brennan.

Madam CHAIR: Member for Sanderson, Kate Worden and Chair. Samih, because we did not have any general questions we were not aware that you were going to come and have a chat today but we really appreciate you coming.

I might just ask you a couple of more generic questions along themes. How do you think that taxi licences should be allocated?

Mr HABIB: The system is usually in the old days when the older taxi industry around Australia wide had problem free. It was allocated for certain number 790 persons you have allocate one car. This system has been working for quite a while in the old days. Of course nowadays there is Uber and there is different things and change in the law but this system it was working, very perfect, it serviced the people, serviced the community and at the same time the driver can afford a decent living out of it.

Now has just returned before, the government they want an industry or they want to just give somebody a job? You want a business or just get people to work?

It always used to be in the old days it is a business, and is a business and the best part of it, it was an individual business. It is was not a lot of multimillion companies they try to get into it, they went broke or they never make money they pull out because always the taxis are going to be individual businessman running.

And of course how successful this businessman is going to be, the industry will be successful. Now we are a company as I said before always we keep our hand on everything. We control the drivers, we control the cars, we have people like (inaudible) somebody calling

and someone who will go on the street and they say, 'Hey your car dirty—off the road. Go wash it, and come back. Your shirt is dirty. Go change your shirt and come here.' The industry was coming very—we doing very well. As I said before, we shift more sick people than the ambulance could be.

So this industry have to be in a good shape to offer the service. To be quite honest with you, if we, if the industry suffer, we have a job, tomorrow we get another job we chuck it, away we go and what are the public going to suffer? Not us, look we could live off the Centrelink these days, government very generous. But the community will suffer.

And always we make sure. We are Alice Springs Taxi. As Alice Springs Taxi we have been praised by lots of states. Jeff Kennett came here. We had a chit-chat to him.⁸ We have a few meetings with ministers in New South Wales, and Queensland. We used to have the Taxi Council.

Every year we have a conference. Companies from all over Australia we meet someplace and we discuss the issues we have. To be quite honest with you, Alice Springs Taxis was one of the best if not the best. We are first people to put one colour car, first people to make sure that everybody have uniform, and we are the only people have inspectors on the road or we see a driver. We say, 'Look you know, you are a driver-keep your eyes on everybody else'. We knew this is a living, we are going to protect it and support it. You make a good living of it, so we have to look after it.

Unfortunately the department is changing a lot. The problem not in Alice Springs, the problem is in the department. We used to have a roster. Every car must be on the road so we make sure the service is being covered for 24 hours. But the department goes up and down. One time you get full support, one time no support so as I mentioned before.

We have a driver took us to the court. We spend big money. We have over four, five court cases and every court case cost us heaps. We have to chip in from our pocket to fight the case because the driver said 'You kicked me out of the road, and you have no right to do it.' Some, always somebody can get legal aid and they drag the court case but we cannot get legal aid. So we have to pay for it.

Always we make sure the taxi industry it is healthy, offering good service, doing the best. You are going to have a bad apple, I would not argue the case or you are going to have somebody who rip somebody off, somebody overcharged but when it comes to us if anybody overcharged, calling managing this company and this tradition for years and years before calling cab-you get caught, you pay the price. You have first time, second time-out. We do not want you. And as I said, once in one stage the department help us or cooperate with us, in one stage they do not.

As far as the capping: they took the capping off in the past and it did not work out.

Madam CHAIR: In which way, why did it not work?

Mr HABIB: Everybody tried to grab a plate, like I am somewhere driving a (inaudible). I will go and get my own plate. They get their own plate. Suddenly everybody start to go broke.

Mr MILLS: Samih, on that one, thinking about that, we seem to be saying remove the cap and then everyone will flood in. But what if you remove the cap and raise the standard? Not everyone can come and apply, you have to be properly qualified.

⁸ Committee Secretariat received a correction by Mr Samih Habib on 28 July 2017 that they did not meet Jeff Kennett.

Mr HABIB: Okay, how will you understand that? Tell me.

Mr MILLS: You cannot get a licence unless you have proper qualifications.

Mr HABIB: What qualifications? You are not going to get university lecturer to drive taxis ...

Mr MILLS: No, no, do not ask me what they are.

Mr HABIB: ... not if you are realistic.

Madam CHAIR: No, no you might have to be driving for a minimum of seven years.

Mr HABIB: I tell you why it does not work. I have to make a living. If I want to work, I work in a business. It does not matter if I do building, if I (inaudible), I must make a living. If you fill up the market with the plates, there is not enough money in it.

Mr MILLS: No, but still, if you have been in the industry and a driver without any blemish at all for five years or more, you live in the place, you have done training, your English levels are very high and you have recommendations, then you can. Would that not make a difference?

Mr HABIB: No way.

Mr MILLS: It does not mean just opening the door ...

Mr HABIB: No, no, I am sorry, there is ...

Mr MILLS: How many people are like that?

Mr HABIB: From experience, we used to before, if you were to fully become a driver you had to go through a training course. One of the conditions, you have to go to a defence driving. Okay?

Mr MILLS: Yes.

Mr HABIB: The drivers were on top, the best drivers you can get. The Territory was for the best taxi drivers you could have in Australia. In one stage, we were thinking—and still on the board—that every driver must have first aid course. But as I said, we never had the support from the department.

When we were in this stage and the number of plates increased, people did not make enough money. I mean, look, there is a dollar. There is a piece of cake ...

Madam CHAIR: How long was it off for? How long was the cap off for, Samih?

Mr HABIB: Oh, I cannot remember. Maybe two or three years.

Madam CHAIR: Three years.

Mr HABIB: People gave it back.

Madam CHAIR: The numbers did not come back slowly?

Mr HABIB: I do not think the numbers came back. Now, we have taken this formula 790, but I do not think we knew. For the number of cars we have, we have enough cars.

We went to the department and said, 'We want extra cars'. You get, for example, the tourist season. You want more cars. We said to the department, 'We are prepared the company will have four or five cars on hand. It is very busy, we found the people who want to drive'. If it is busy, you make money, everyone comes. There is no problem to find people, is there?

We (inaudible) and we take them on. They start to argue, 'You drive the car with no money. We miss out on our share'. We said, 'Look, we let you, whatever the CVL daily base is, we will pay you whatever it is'. 'Oh, It is good idea'. They never supported it. Nothing came out of it.

Now, we have what we call sub-cars. I have a car sitting home. I thought that if my car broke down I would put this car as a replacement. It was a good idea. How many days they give us a year? What? Four or five days?

Mr DAWSON: We apply when we think it is necessary.

Mr MILLS: Okay. So if it is the Masters Games or something?

Mr HABIB: Yes, that is what happened. The allow us on a show day, which is a really good idea. Show day and Christmas Day ...

Mr MILLS: And Masters Games?

Mr HABIB: No, the Masters Games we apply for it. We ask for it and they said, 'Do it'. Christmas Day and all those big holidays, which is good.

Mr WOOD: You have your licence attached to your existing licence plate?

Mr HABIB: Sorry?

Mr WOOD: Sometimes you see a Northern Territory plate and there will be a little taxi plate attached to it.

Mr HABIB: What that is, is a sub. You give the plate a sub. (inaudible) what it is. This car on these certain days, they said you can use it for that purpose. If we want, we could apply for more.

But the idea which we said if we could have two or three cars on hand—the company owns them, someone owns them from the operators—we are too busy, we have the conference with 400, 500, 1000 people, you put them on. They liked the idea, but never allow it. It never commenced.

So all these issues were, to be quite honest, we have the problem now because there is no cooperation between the department and us. When we have the cooperation before, at one stage - I forget who the director was in the department—everything was smooth and every politician went home and slept on the thought, but no one will annoy him and say, 'Listen, I could not catch a taxi yesterday. I have to walk home.' They throw a rock at my head and so on ...

Madam CHAIR: Samih, can I ask a couple of questions? You said you own two cars?

Mr HABIB: Yes.

Madam CHAIR: You have two plates? I should say two plates.

Mr HABIB: Cars and plates.

Madam CHAIR: Cars and plates. Are you a driver as well?

Mr HABIB: I never drive full-time because they have a driver, but when they need it I am there.

Madam CHAIR: So you drive when you need to?

Mr HABIB: (Inaudible) and I make sure there is a driver. Even if we have to (inaudible).

Madam CHAIR: What sort of agreement do you have with your drivers?

Mr HABIB: Bailment. That is what it is because we have a problem with the tax office. We have a court case, I believe. And they (inaudible) said, 'You work under bailment agreement'. Which is not the (inaudible).

Madam CHAIR: Do you have a written agreement?

Mr HABIB: No, we do not have a written agreement.

Madam CHAIR: So it is a verbal agreement?

Mr HABIB: Verbal agreement. To be quite honest, I just said to Colin, we should try to get some type of contract in place.

Madam CHAIR: That is something that we are considering.

Mr HABIB: We will do it one day because you have—see, what has happened ...

Madam CHAIR: Sorry, just on that point, Samih, in ACT or Queensland they have a standard bailment agreement that is lodged with the department. So it is very clear about what agreements are in place between ...

Mr HABIB: That is what I tell you we are talking about.

Madam CHAIR: You think that something like that would go down well?

Mr HABIB: That is what we are talking about.

Mr DAWSON: That agreement that they have, is that a set price to take my car for that date?

Madam CHAIR: I could not tell you what that agreement is because it is just a standard agreement, and that is what they expect to be used. It has been put in place. I guess it just makes it that then it is the same agreement between all drivers, and they are just drivers and there is no subletting.

Mr HABIB: This agreement that you are talking about, it come after our issues with the tax office.

Madam CHAIR: I am not sure. It is just one of the things—because we, as an investigative committee, we also have looked at what other jurisdictions are doing. So, in terms of bailment, we were looking at what other jurisdictions are doing in terms of bailment because we became aware that most bailments in the Territory, not just here but in Darwin, are verbal.

Mr HABIB: Ours is verbal too.

Madam CHAIR: Yes, so there is nothing wrong with that.

Mr MILLS: Can I just clarify, when it is verbal it is, as we have heard, a fairly basic agreement. It is 50/50. Usually it is a standard ...

Mr HABIB: Fifty/fifty. You drive, you fill up the car when you finish, you clean up, 50/50. But any unpaid maintenance is on the owner. Taxi insurance is very hefty.

Madam CHAIR: So the insurance is paid for by the owner.

Mr HABIB: By the owner, not the driver. They pay if you have damage.

Mr DAWSON: (Inaudible). They say that the owner of the plates sits there and just takes away his 50% for nothing, but then you have \$6000 for insurance. We pay the drivers' insurance as well. If the driver gets hurt in the job, we pay that.

Madam CHAIR: But the driver has to pay for the excess if there is an accident?

Mr HABIB: Well, if he is in the wrong.

Mr DAWSON: If he causes the accident and we have a written agreement, he works for Alice Springs Taxis, then he must pay that excess.

Mr KIRBY: And the running costs? Tyres, wear and tear?

Mr HABIB: All on the owner. As I said before, of course you are (inaudible) once a week for the car to be on the road. I mean there is a CVL but \$350 now, \$4111 for the three months for the CVL alone. Then you get the car insurance. Now, they the department forces on us that we have to insure the driver in case somebody smashes him or knocks the driver on the head. The owner has to pay for this insurance. Believe me, he has the first to claim, and then double next year. Some insurance they will not insure taxis.

Mr SIEVERS: There is an administration who books the jobs and all that sort of stuff. Who pays for that? The driver or the owner?

Mr HABIB: The company pays for all the administration work.

Mr DAWSON: Samih, what he is talking about is who pays for the taxis to get the jobs? That is ...

Mr HABIB: That is the owner.

Madam CHAIR: The owner has to buy the equipment, is my understanding, that goes in the car.

Mr HABIB: The company buys the equipment.

Madam CHAIR: The company does but rents it out ...

Mr HABIB: Oh, the car, the owner pays. The equipment in the car, the owner pays for it.

Mr DAWSON: They pay us a \$360 fee. The owner of the car pays Alice Springs Taxis \$360 a week to supply—we supply the computer and we pay the staff to answer the phone.

Madam CHAIR: Yes, you would have to have some administrative ...

Mr HABIB: Another issue, they come to force us to put the camera in the taxi. You understand, in the court. The court chucked that out and that is it. We don't look at it. Does not mean a thing in the court, if somebody smashed my car, we took the pictures and went to the court. Said look, this was not followed and they just throw it away. So it does not stay in the court. Why do I have to put in that extra for?

Madam CHAIR: I do not know about that. It is a bit outside the scope of the PAC, sorry. But can I just come back to subleasing because obviously you have had experience and issues for a very long time so we really are interested in your views. Do you think sublettings are widely happening across Alice Springs?

Mr HABIB: Well I do not know about widely but it is happening.

Madam CHAIR: You know that it is happening? You can confirm that it is happening?

Mr HABIB: Of course it is happening.

Madam CHAIR: Do you think that is having any impact on the industry?

Mr HABIB: No it should not have any impact on the industry.

Madam CHAIR: But do you think it really is having any impact?

Mr HABIB: No it would not because as I said if I sublease my car, I want to make sure the car damages get repaired and if I have a problem with it I am going to miss out. So I will make sure that the driver in the place will pay a certain amount and I will make sure I rent the car and so on. Look, we go back to the same other study, if I have a business cost me thousands of dollars, I protect it. A business cost me nothing, I don't give a damn about it.

Madam CHAIR: I will put a different view to you Samih. If you have got owners that don't drive their cars at all, we have heard evidence that there are some plate owners that have drivers who buy a car, and then the owner off the plate registers that car, even though that drivers buying the car, has brought the car, the owner of the plate registers the car because you know that's the rules. And then those people are caught in an agreement of sublet which then the drivers feel trapped and cannot get out of.

Mr HABIB: It is their choice. If they brought their car, they pay the plate owner very minimum amount. And to the car owner they said (inaudible) and they come to the owner and they said, 'Look, Samih, give you a (Inaudible).' There he was, Jo give you the car, he will give you \$200 and I will give you \$350 for it. Because the people, they work. I needed the money and the industry. (Inaudible) everybody make good living. Now our fight, to maintain is that everybody make a good living from the industry.

Madam CHAIR: But those people, essentially what we are hearing, is those people are not making a living.

Mr HABIB: They determine the price of the sublease. Not the owner.

Mr MILLS: So, the initiative came from the one wanting access to the licence. Is that what you are suggesting?

Mr HABIB: That is what it is, yes. If you want to get access to the licence...

Madam CHAIR: Yes, but surely...

Mr HABIB: So that they could eliminate this extra payment to the owner.

Madam CHAIR: Yes, but surely the plate owner has all of the power. Because unless you come to an agreement that suits me as the plate owner, I am not going to let you use my own licence.

Mr HABIB: Of course yes. That of course happens.

Madam CHAIR: So the plate own still has all the power.

Mr HABIB: It is up to him who he is going to lease it to. Sometimes they come to three of them, everybody says I will give you more and more, just give it to me. But at the end of the day, who is responsible for any single (inaudible) is the owner.

Madam CHAIR: Samih, then I put it to you. I am just playing devil's advocate here. If you no longer want to drive or you are no longer able to drive, then surely you should put the plate back in.

Mr HABIB: Why should I put it? I am running a business.

Madam CHAIR: It is a different view.

Mr HABIB: I am running a business. I am not looking to go into work labouring. I am running a business and if tomorrow I get 20 cars, I get 20 cars. Look, if the tomorrow there was certainty in the market and the person you (inaudible), which is to get to \$500 000, people pay. There is a lawyer who put their money in the industry. There are accountants. I mean, at one stage, everyone in the government left their job. All of those people they invested their life savings, there superannuation in taxis because it is a business. Now that's the whole question, does the government want a business to run itself or they want a budget job?

Mr WOOD: Well if that's the case, then you should really get because it is...

Mr HABIB: No, it will end as a big mess. Because the whole problem, how are you going to control it. Unfortunately the law is not the black and white to control.

Mr WOOD: Business is business and you can have different stages in Alice Springs, one of them we seem to have a different rule and I am not saying I agree with it but we have a different rule.

Mr HABIB: I agree with you but when you leave it open to slaughter, you must have control. There should be laws in place. The laws are not there to put everything under control.

Mr DAWSON: Competition is healthy. I will say that but saying competition is healthy and then allowing every Tom, Dick and Harry, (inaudible) to come into the industry who only want to be there to make money is different to people who want to be there who love the industry or want to work in the industry

Madam CHAIR: But then Samih is saying on the other side that is an (inaudible) for the business. I mean you can be in business and not have to love the industry you are in. you know there are, if it is a closed shop and we have got the cap here then it in some ways forces— these things are occurring. Because one of the things we have heard is historical they actually brought back the licences one of the reasons was because of these things were going on. Whereas in fact it has not stopped subletting. So subletting was happening before they brought them back and subletting is still happening and so one of the things we are trying to work out is subletting there because of the cap.

Mr HABIB: But to be quite honest, if you take the cap off, there is the devil and his partner. So which one do you want? You take the cap off and you deal with the devil or his partner. So there is going to be a big mess.

Mr MILLS: I just heard that if you do remove the cap and the cowboys come in, I think only those that would be suitably qualified would come in and we would have healthy competition and to protect the industry. But can I just put that aside. I would just like your observations, please. And I know you would be free to give your observations. Why is there such activity on issue here in Alice Springs and it appears there is different concerns in Darwin? It appears, I am not sure. Is there something peculiar happening in Alice Springs?

Mr HABIB: Would you please ask the department about it. We have no problem, they created this problem. They have got the differences because they are ...

Mr MILLS: What is different between the industry and in Darwin?

Mr HABIB: Go back to the management. Every company manages itself different from the other ones. Now I don't know how they do it Darwin but I believe we have a lot less trouble then Darwin. We have a better service then Darwin.

Mr MILLS: We had a lot of responses very quickly and very clearly argued from here.

Mr HABIB: From here?

Mr MILLS: Yes, from Alice Springs.

Mr HABIB: From which one?

Mr MILLS: That is why we are here.

Mr HABIB: No I mean...Ok what was the response you are talking about?

Madam CHAIR: Submissions to the inquiry.

Mr MILLS: This is a Territory wide inquiry. That had a very strong response from Alice Springs. Just one thought, with all your time in the industry and observation about how different places work. You are aware of Darwin, I know, so what is the difference between Darwin and Alice Springs?

Mr HABIB: Well to be quite honest, the difference in Alice Springs and Darwin. We here are more serious, we took out the business more serious and we try to stick together. So if we have a problem, we are going to sit together and solve it. And Darwin, everybody argue when so goes on his own and could knock on your door. We have no body (inaudible) knock on his door.

Madam CHAIR: Yes, but this inquiry was initiated by Robyn Lambley on the floor of parliament because of a problem that she had been made aware of in Alice Springs.

Mr HABIB: That is right. But it wasn't because of Alice Springs Taxis it was because the department stuffed it up.

Madam CHAIR: So you think that the discontent started because the department ...

Mr HABIB: Stuffed it up.

Madam CHAIR: With those four plates.

Mr HABIB: You got four plates.

Mr DAWSON: Not with the four plates.

Madam CHAIR: Not with the four plates. You don't think that's the genesis of it? Where would you say that is all coming from?

Mr DAWSON: It came from, again the black market leasing and the government wasn't policing it. They allowed this to happen. They knew it was happening and were happy to let it happen but the problem started when a certain, well I will say it, I mean I don't want to sound racist but when the Indians came to town, they had a shit load of money and they were waving it around to all the owners. That is the biggest problem, what was the owners that had been in the industry for 20-30 years, thought 'here is a way out' boom.

Mr HABIB: But don't forget...

Mr DAWSON: (Inaudible) \$170 000 and trust. When this first started getting investigated and stuff, there is money, ridiculous money \$90 000, \$70 000 paying for nothing other than a (inaudible).

Mr HABIB: just hang, let us look at the main the reason what it is. This is for the plates. Why was one of convicted for drug dealing or whatever it is. He had sum department to take it off of him. Two of them. Those plates were leased to somebody. In fact, it is my brother. And he was running these cars and looking after them. The department said (inaudible) not your plates anymore, we are will take them back. Now, what the department (inaudible) and that is why Robyn Lambley is not talking is because I am the one who told (inaudible).

What happened, and it still put them in the legal way, the acceptable way, put them in the ballot and that is what really happened. That is what we agree on and that is what happened in the past. They come and they give it to Joe and Smith and so on, on their own. Now, I am that person who went to Lambley talking about the taxis. I said, 'How the hell did the department abuse their own law?' She asked the question about it. And that is (inaudible).

Madam CHAIR: We are a bit short on time now because we did not think we had anybody else coming, but we really appreciate you coming in.

Mr HABIB: Forty minutes talking about the (inaudible).

Madam CHAIR: No, we could talk about it all day, I suspect. But we have a plane to catch back to Darwin.

Samih, do you have anything else you want to add at the end?

Mr HABIB: I do not want to add anything.

Madam CHAIR: You know how to catch up with us if you have anything else?

Mr HABIB: I want more cooperation between the department and the company, and that is what we all want. And the rules in the place, we abide by them as much as they should abide by them.

Madam CHAIR: Thank you very much.

The committee concluded.
