

# **LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE**

## **Inquiry into the Commercial Passenger Vehicle Industry Act 2017 reforms**

Melbourne—Wednesday, 19 June 2019

### **MEMBERS**

Mr Nazih Elasmr—Chair

Mr Bernie Finn—Deputy Chair

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Dr Catherine Cumming

**Necessary corrections to be notified to  
executive officer of committee**

**WITNESS**

Ms Denise Sax.

**The CHAIR:** All right. Thank you very much. We will start our first public hearing, and I would like to welcome people in the gallery and Ms Denise Sax. Allow me to first read you the formalities before we start the meeting. The committee is hearing evidence today in relation to the inquiry into the Commercial Passenger Vehicle Industry Act 2017 reforms. All evidence taken at this hearing is recorded by Hansard and is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you go outside the room and repeat the same things, those comments may not be protected by this privilege. Please, before you start, can you state your name for Hansard and then allow us some time to ask questions if needed at the end.

**Ms SAX:** At the end, yes.

**The CHAIR:** Thank you. All yours.

**Ms SAX:** Thank you for giving me the opportunity to talk today. My name is Denise Sax. I am 65 years of age. My primary occupation is as a self-employed hairdresser. I run a home salon which only has a few clients—mostly elderly ladies from my local community. It is not a highly lucrative business, but it has enabled me to contribute to the running costs of the house over the years. My husband is a forklift driver, and last year he lost vision in one eye through surgery complications on his retina. Thankfully he is now able to continue working despite this, for I am not sure how we would get by. We live a basic lifestyle, but since the taxi reforms of 2017 things have become more difficult and our future looks bleak.

My introduction into the taxi industry was through my father. He was an owner-driver and worked long and hard for 40-plus years in the industry. He bought a taxi licence many years ago because it was required by law to have a licence to operate a taxi. It was a sensible decision. Just like any property, buying make sense over renting. He worked around the clock to pay it off. My father had a humble lifestyle, nothing extravagant. When he passed away in 2000, he left his taxi licence to my mother. There was not much else to leave behind. The taxi licence represented most of his savings throughout his working life.

Following the death of my mother in 2003, the taxi licence was inherited equally between myself and my sister. At that time and throughout the next decade, we were receiving a monthly rental stream from the licence. Just prior to the Fels reform of 2013, we were receiving \$3000 per month or \$1500 each. After the Fels reform, when the Liberal government began to sell annual taxi permits at \$23 000, we were forced to reduce our rental as the government became competitors in the market. Our rental was reduced to \$2000 a month at the time. This was in the year prior to the 2014 state election. The industry had lobbied hard and were working with the Labor government, pleading for them to fix the situation that the Liberals created. I had the chance to speak to Daniel Andrews at a campaign meeting in 2014, and he said that if he got elected into Parliament, he promised me that he would fix this. Many people in our industry campaigned hard during the election, and we felt we brought victory home for Labor.

At the same time, Uber entered the market illegally. Uber was poaching fares from the taxi business, which meant the operators were not willing to pay as much as they had been paying. Our licence rental reduced to around \$1400 a month in total, or \$700 each between my sister and myself, just prior to the reforms being announced. It seemed no-one was doing anything to stop Uber from stealing our business. They were allowed to operate for free, and without penalties. Then in 2017 we were delivered the harshest blow. We learned that our licences would be revoked and the government would pay \$100 000 for the first licence—that is \$50 000 for myself and my sister. This was our property, my retirement. I do not have much else in superannuation, being self-employed. Now I would be left with no asset and no income from my asset.

I had always understood that a licence is property. The High Court said so. The government over the years encouraged people to invest in them. The Bracks government even set up a trading facility for them on the Bendigo stock exchange. All those years ago my father was encouraged to hold onto his licence as the superannuation he never had as an owner-driver. It was his super, our family's wealth, and his legacy and dying wish that we inherit the fruits of his labour. It has been taken from us. I feel that it was stolen. The government

pulled figures from thin air as a transition payment. It made no sense that one licence was worth \$100 000 and the second licence was worth \$50 000. When net fishing ceased in Port Phillip Bay in 2016 licences were valued by the valuer general and paid up to \$1.6 million each. Other compulsory acquisitions of property have led to a proper valuation and buyback as fair compensation and replacement. Those of us in the taxi industry were not afforded this level of respect. We have been thrown on the trash heap without a second thought.

When I heard about the Fairness Fund I put in an application and so did my sister. I received \$50 000. My sister's application was unsuccessful. We are not sure why. This caused conflict within the family. My sister is my only sibling. Things became so strained between us that she stopped speaking to me. Her view was that she owned half the licence and that the Fairness Fund payment I received should be shared with her, as it comes from the same licence. After I had paid my income tax liability for the Fairness Fund payment I relented also and paid my sister a good chunk of what remained, just to keep the peace. I have lost so much through the taxi industry; I could not lose my sister as well.

Those are the problems that many face because payments were not made in capital and for each and every licence equally. I struggle to reconcile the outcome of these reforms. I consider myself lucky that I own my own home and that we do not have any debts in our licence. Even so, my husband and I will never be able to fill the hole in our super. Our plans for retirement have completely evaporated. We are of retirement age now but cannot stop work; we simply do not have enough to see us through. It is more than likely that we will both seek the pension once we stop work. This is something we had hoped to avoid, but it is certain now that this is where we will be heading. I am constantly stressed about money these days, and I worry about our future. There have been many nights that I have lost sleep over the whole debacle. We feel persecuted.

I come forward today to plead with the government to do the right thing and properly compensate us for the loss of our property.

**The CHAIR:** Thank you very much. You can have some water. Allow me to introduce the Deputy Chair, Mr Bernie Finn, and Mr David Davis, who is on the committee as well. Any questions?

**Mr FINN:** Can I start with one, and it concerns the so-called Fairness Fund, because I have heard a variety of things about that. From your perspective how fair is the Fairness Fund?

**Ms SAX:** Totally unfair. I think we should all get our money back 100 per cent for each and every licence. That is the only way. It is just so unfair what has happened to us. It has been devastating for us. There have been so many people that are paying back loans to the bank, and there is no licence. There have been seven suicides out of this. There are so many people with so many mental problems from this. I have met so many lovely people that I protest with, and I went to so many of these protests—nearly all of them. Everybody went downhill and everybody had depression at one time or another. There have been people with heart attacks, cancer, but the seven suicides—excuse me—the government has got to do something about this.

**Mr DAVIS:** I just want to ask whether you think it is right that assets should be taken without proper compensation?

**Ms SAX:** Absolutely not. No. This is what I am here for. We need to get compensated 100 per cent for each and every licence. Why do the net fishers get their money back? I believe that they were not allowed to fish in Port Phillip Bay—they get their money and go fish somewhere else. How lucky.

**Mr DAVIS:** So \$100 000 for the first licence—

**Ms SAX:** Yes.

**Mr DAVIS:** and then 50, 50, 50, 50 and then zero.

**Ms SAX:** I believe so.

**Mr DAVIS:** Then zero.

**Ms SAX:** Yes. If you had more than four—nothing. And there are many that have got more than four.

**Mr DAVIS:** So they had their licences crushed—

**Ms SAX:** Crushed, totally.

**Mr DAVIS:** and received nothing.

**Ms SAX:** That is right. That is so wrong on all levels.

**Mr DAVIS:** I agree.

**Mr BARTON:** Denise, that was good. Thank you for that story. Denise, did you put your taxi licence in your super scheme? Was it actually in your super scheme?

**Ms SAX:** I was getting the income stream of the—yes.

**Mr BARTON:** You were getting the income and putting it in, but the licence itself was not actually in the—

**Ms SAX:** That was my super, yes.

**Mr BARTON:** I understand that.

**Ms SAX:** But my sister and I did not sell it. We were living on the income stream of the rent.

**Mr BARTON:** Yes.

**Ms SAX:** You have got to remember that I am not quite retired yet. I would like to be.

**Mr BARTON:** Me too.

**Ms SAX:** So we were looking at the income stream, and in the future we probably might have sold it and done it that way, but it did not come to that. All I know is that my money is gone.

**Mr BARTON:** Yes, absolutely.

**Mrs McARTHUR:** Denise, you mentioned you met Mr Andrews and he said he would fix it.

**Ms SAX:** Yes, he did.

**Mrs McARTHUR:** Tell us a bit more about that meeting.

**Ms SAX:** He was at a meeting when he was campaigning. It was in a Bentleigh hall—I think a scout hall in Brewer Road, if I remember correctly. I was there. There were also the ambos there lobbying for themselves as well. I stood up and I asked him what he would do for us, and he said that he promised. His exact words: ‘I promise, Denise, that I will fix this if I get into Parliament’. So I can tell you that we all voted for Labor, whether we were Liberal or not. We all voted for Labor. We had great faith that Daniel Andrews was going to fix this problem.

**Mrs McARTHUR:** So how do you feel now about that?

**Ms SAX:** I feel totally shattered, is the word. Absolutely shattered. I cannot tell you how many sleepless nights I have had. Probably for the first two years—and I am not telling any lies here—I would wake up in the morning in so much dread that it was hard for me to go on for the rest of the day, you know? But I had to keep on telling myself that I live in Australia and my house is paid off, amen. You know? But that was the only thing that I could say about that comment. What the future is going to bring—I mean, I had a nice future. It has been taken away.

**Mrs McARTHUR:** Thank you, Denise.

**The CHAIR:** If there are no further questions, Denise, I would like on behalf of the committee to thank you for your contribution. You will receive in a few weeks a copy of the transcript for you to read and correct any typographical errors. Thank you again for your time.

**Ms SAX:** Thank you for listening to me.

**Witness withdrew.**