

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the Commercial Passenger Vehicle Industry Act 2017 reforms

Melbourne—Wednesday, 19 June 2019

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

WITNESS

Mr Victor Cardoso.

The CHAIR: Again, I would like to welcome you. I need to read this formality for you. 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. Before we start, could you please state your name for the *Hansard* record and allow us some time to ask questions if required.

Mr CARDOSO: Yes. Okay, my name is Victor Cardoso. I am actually here speaking on behalf of my father, Faustino Cardoso. He does not feel comfortable talking so I am doing it on his behalf. My father, about 20 years ago, in the early 1990s, drove taxis part-time for two or three years, and then after that he also worked in a factory. It was very hard so he then took up driving taxis. With being involved in the industry, he thought it would be a good idea to purchase a licence. That was in 1995. From there he felt it was a good investment, a good asset to have, and about four or five years later he bought a second one and then was driving part-time for four or five years but then got out and just focused on work and continued to have a licence up until the reforms of 2017. He purchased the first one for \$120 000, and then the second one when it was valued at \$265 000. In 2006 he got made redundant from his job and used that time, with the money that he got, and just decided to retire. He still had loans to pay on the second licence, but was really relying on the income of the taxi licences that would give him a quality of retirement. He is 72 years of age now, so he has been retired for about eight years.

When the reforms happened it really knocked him about emotionally. He has never really been the same ever since. We talk about other people with suicides and stuff—for him it did go that far, down that road. Luckily we got him on antidepressants and stuff like that so he is still with us, but it really knocked him about. We just cannot understand how it came about to be that the government just took away—what they did—took away what we saw as an asset. It has really affected his retirement. My understanding is when governments take away assets like a house for transport or to build a freeway they would pay the market value compensation at the time—whatever the house is at that time. With this, they have just done the \$100 000 and then \$50 000 for each one, so completely inadequate, not to mention the loss of income. In my father's case, \$60 000 a year just gone like that. So it has affected his quality of retirement.

Yes, obviously everything else that everyone else will say I will reiterate. What else have we got here? Yes, he had to transfer money from overseas to end up paying for the remainder of the loan of that. He used the taxi licences as equity to borrow to invest in a property, and then he had to source that income to pay that loan from somewhere else. Yes. That is about it.

The CHAIR: Have some water. Thank you very much.

Mr CARDOSO: Yes—bit nervous.

Mr BARTON: Victor, was Dad driving? When did he finish driving? He has been retired for eight years, yes?

Mr CARDOSO: Sorry? He has been retired for eight years, but he finished driving taxis probably about 15 years. He got in. He was driving. He sort of got involved in the industry and made some friends and stuff and then bought the licences. And then he saw it as a way to help with his retirement in future—investment.

Mr BARTON: Of course.

Mr CARDOSO: And with the changes that he obviously did not see coming, and most people did not see coming, it has really screwed everything up.

Mr BARTON: Well, they planned for it. They thought they owned something.

Mr CARDOSO: Yes.

Mr BARTON: Absolutely they thought they owned something. Has he managed to pay off all the debt?

Mr CARDOSO: Not quite yet, no.

Mr BARTON: No. So he is 72 years of age, and he has got debt.

Mr CARDOSO: Yes.

Mr BARTON: That is outrageous.

Mr CARDOSO: Yes, it is outrageous. I mean, I think he is more fortunate than a few other people that I have heard about through the industry. But it is just not acceptable with what happened. Like I said, I cannot believe that in Australia a government would do that. I mean, with all of everything that happened the licence-holders were probably the most affected, I would think. And with the way it has panned out, it is just crazy.

Mr BARTON: Well, it has certainly been handled differently here than in every other state, and there is no question that drivers and owners of licences have come out far worse than anywhere else in the country. So any of the other family took on the licence and drove? Did you ever drive, for instance?

Mr CARDOSO: No, I never drove. No.

Mr BARTON: Well, that is a good thing, because there is no money in it now, mate.

Mr CARDOSO: No.

Mr FINN: Could I just ask one question? You painted a less than cheery scenario for your father at 72. Where does he go from here? I mean, what is the future?

Mr CARDOSO: The future for him is just very simple. I think he had ambitions to travel—you know, retirement. So he has got still a bit of debt to pay off. His days, you know, he looks after the grandkids and he is okay with that, but his quality of retirement, I guess, has been hugely affected. He is just, emotionally, you know, he is not the same. He is not the same as he was before. This has really affected him. I think I heard the previous lady say sleepless nights for two years; he has been exactly the same, with the amount of stress him and my mum have been through because of it.

Mrs McARTHUR: Victor, your father had two licences, was it?

Mr CARDOSO: Yes.

Mrs McARTHUR: Are you able to tell us how much he is really out of pocket over this whole scenario?

Mr CARDOSO: At the peak of their value they were around \$500 000, and he got paid \$150 000. So \$1 million take away \$150 000 is \$850 000.

Mr FINN: That would be about \$850 000, yes.

Mr CARDOSO: But that is one thing. That is one aspect—

Mr BARTON: It is the income.

Mr CARDOSO: but the income is the killer. It is that as well.

Mr QUILTY: You said in your submission that you do not blame Uber.

Mr CARDOSO: Right; yes.

Mr QUILTY: I think it is probably fair to say the community embraced Uber as an innovative service.

Mr CARDOSO: Yes.

Mr QUILTY: Do you think it was government regulations that were holding the taxi industry back from doing something like Uber before it came along?

Mr CARDOSO: Yes. Well, my view is that a lot of the media portrayed it as the taxi industry, or taxi drivers, being very upset because of Uber. It is not necessarily because of Uber. I mean, competition is fair enough. My personal view is that you welcome competition, but everyone has to be under the same rules for it to be a fair competition. So when Uber came in they were not under the same regulations as taxidivers, so it just was not fair. And then what the government did to try to make it fair was—it is what it is. My view is that their role is to try to make a fair buck. Uber was always going to come in and do whatever they needed to do, but the compensation was just not fair. It was grossly under what it should have been.

Mr BARTON: Can I just ask: did Dad get anything from the Fairness Fund?

Mr CARDOSO: No. We—

Mr BARTON: Did he apply?

Mr CARDOSO: We went to apply. I think he did not really understand it, so I sort of had a look at it. The way I saw the Fairness Fund, the way I understood it is you had to be pretty extremely badly in debt for you to qualify, so we did not even bother. He just transferred some money from overseas. The hassle of going through it all and everything else—we just did not feel like it was going to help or going to do anything.

Mr BARTON: Well, you are not on your own there. There were only 1200 people who applied for the Fairness Fund out of 5000 people who could have, so a lot of people have lost their way.

Mr CARDOSO: Yes. My memory of that time was just a lot of anger and no faith in the government and what they were going to do, so it was like, 'We'll just try and deal with it on our own'.

Mr BARTON: Yes. So one of the things I think I would like the committee to understand is that it is not just about the value of the licences. And that is a significant amount of money.

Mr CARDOSO: Yes.

Mr BARTON: It is the loss of income.

Mr CARDOSO: Income.

Mr BARTON: It is that stream that Dad should have for the next whatever.

Mr CARDOSO: Yes.

Mr BARTON: And that is what has damaged people's lives.

Mr CARDOSO: Yes, and that is what I am saying; that was what I was saying in regards to Uber coming along and competition. That is fair enough. If it had happened just in a natural market—like if you buy an investment property and you pay \$500 000 and with the market trend it goes down to \$400 000, that is bad luck. That is what the market is. But in this case it felt like the government was directly responsible with the regulations or with deregistering or whatever you want to call it—with what they did, that is what happened.

Mr BARTON: The competition of the taxis, yes.

Mr CARDOSO: Yes. It was not like a natural competition market-type scenario like you would get in housing.

Mr BARTON: The fact that the regulator was not enforcing the laws against Uber—how did that affect the taxi industry?

Mr CARDOSO: That was what I was saying. They cannot really compete with Uber when they are on totally different levels, because Uber does not have to pay all the regulations and all the other stuff that the taxi industry had to, so it was not a fair competition to begin with because they did not enforce a legal system. So, yes, no-one enforced it.

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

Mr CARDOSO: Thank you. Thank you all for listening.

Witness withdrew.