



Hon Robert Brokenshire MLC  
FAMILY FIRST PARTY

PARLIAMENTARY SPEECH

## PARLIAMENTARY INQUIRY INTO THE TAXI INDUSTRY



### TAXI INDUSTRY

The Hon. R.L. BROKENSHERE (16:42): I move:

1. That a select committee of the Legislative Council be appointed to inquire into and report upon practices and opportunities for reform in the taxi industry in South Australia (including vehicles holding themselves out to be taxis, such as country taxis) and, in particular—
  - (a) the commercial and advisory structure of the industry and potential for conflicts of interest thereto;
  - (b) allegations of fraud and corruption in the industry;
  - (c) commercial practices on the transfer and leasing of plates, including alleged incentive or collateral payments;
  - (d) the adequacy of training given to drivers and resultant quality of tourism service and other standards of service;
  - (e) causes and remedies for assaults upon drivers and assaults by drivers;
  - (f) problems arising from the existing system of taxi classification;
  - (g) the opportunities for introduction or expansion, and the estimated cost, of technology such as global positioning system (GPS) tracking of taxis, video-camera recording, electronic charging via Cabcharge, electronic disability identification tags and other possible technological reforms for the industry; and
  - (h) any other relevant matter.
2. That standing order 389 be so far suspended as to enable the chairperson of the committee to have a deliberative vote only.
3. That this council permits the select committee to authorise the disclosure or publication, as it sees fit, of any evidence or documents presented to the committee prior to such evidence being presented to the council.

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4. That standing order 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

I have had a number of representations from the South Australian community, including the taxi industry—not taxi plate owners but certainly drivers and people at the coalface—saying it is time there was a thorough and proper select committee into the practices and procedures of the South Australian taxi industry. I understand that, if approved by my colleagues, this would be the first such select committee specifically inquiring into the workings, operations, management and procedures of the taxi industry.

I will give a profile of this industry to demonstrate the **need to have a transparent, safe and effective taxi industry** without the potential for corruption, nepotism or cronyism. I begin my profile with data from the Taxi Council website, which indicates that at 31 December 2006 (the latest data online) taxis that year carried, in total, 11.55 million passengers. There were 5,302 drivers. I am told that this is more like 6,000 to 7,000 drivers a couple of years later. There were only three booking companies at a ratio, therefore, of 385 taxis per booking company. I compare that ratio to 38 to one in both New South Wales and Victoria, 152.5 to one in Queensland and 262 to one in the ACT. The average price of a taxi licence was \$221,400 and there were 1,156 taxis, worth roughly \$256 million in capital value (over a quarter of a billion dollars).

I move beyond the Taxi Council data to further information that I have recently obtained. Taxi plates have grown in value in two years from \$221,400 to about \$350,000 each. With the figure at 1,150 taxis, that is 1,150 plates, hence the industry's capital value of \$404.6 million. I am told that the value of taxi plates will increase again, up to as much as \$460,000 in the next two years, so this industry is facing massive investment and expansion in the value of these plates. The turnover (gross income) per taxi is approximately \$2,400 per week, so the industry has approximately \$144.3 million in turnover per annum. After costs, a taxi might make \$1,100 per week.

I am going into this detail because I want my honourable colleagues to know the reasons I believe it is so important that we have this select committee. We are talking large numbers here. After costs, a taxi might make \$1,100 per week, which we note is the same amount as we recently publicised for a poker machine's income. So, a taxi makes about the same net income as a poker machine, on average. Taxis, therefore, as far as the plates go, are lucrative, and perhaps one of South Australia's fastest growing

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investments because they offer a better return on your investment than, for example, a house. You could not get \$1,100 a week rent from a house worth \$350,000, but you can from a taxi plate.

It should be remembered that taxis are a regulated **public transport provider**, just like buses. The industry was deregulated in the past so, when I talk soon about questions of assaults upon drivers, assaults by drivers, racial vilification, fraud, corruption, and the like, I would ask whether we would accept these practices on buses and, of course, we would not. There is no sound reason to accept that activity in relation to taxis, either.

The number of complaints that Family First has received regarding the taxi industry is already considerable, and I believe this will be a very busy select committee. Obviously, I do not want to pre-empt the evidence that the committee will receive, but honourable members can glean from the terms of reference the types of complaints that Family First—and, I am sure, other colleagues—have received from constituents.

The overwhelming view of those we have consulted with has been that the Premier's Taxi Council has been a failure. There has been plenty of talk from this government about the need for taxi industry reform but little or no delivery of results, and the select committee will have the capacity to investigate why the Premier's Taxi Council has been unable to deliver results. The most recent run on this matter coming from the government was a story on page 3 of *The Advertiser* of Friday 6 February, which I suspect arose because the government got wind that I was moving for a select committee soon. The article contains admissions from the industry that it has problems, so the way I see it is that some of the industry leadership realises there are problems and they have tried to cut it off at the pass by coming out and saying they are going to do something to help improve it.

The article claimed that complaints to the Department for Transport customer feedback line have risen 33 per cent over the past three years, from 1,009 in 2005-06 to 1,495 in 2007-08. However, the tone of the article suggests that it is the drivers who are the problem. We will be inviting drivers to give evidence to the committee on whether it is them or the inadequate training that they receive that is the cause of some of the problems in the industry. The article, I believe, contains an admission **of industry failure to properly train its drivers**, because the Taxi Council says it wants to introduce 'a system of assessment of taxi operators to ensure they have knowledge of the industry and its regulations'.

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Whilst I am talking about public comments by the Taxi Council, I am told that last night on television the president of the Taxi Council, a person of some influence and reputation in the industry, blamed problems in the industry upon regulators. If this committee is approved by my colleagues, it would be good to get in the president of the Taxi Council to expand on that statement. The **level of complaints and issues in the industry are simply unacceptable**. I seek leave to have inserted in *Hansard* a table of media mentions of problems in the industry.

Leave granted.

Media Mentions	2006	2007	2008	Totals
Assaults on Passengers	6	24	5	35
Assaults on Drivers	2	8	15	25
Poor Service to Disabilities, Females, Lack of Local Knowledge	0	4	9	13
Poor Driving Skills	1	4	4	9
Poor Training Levels	4	3	4	11
Structure and Other related issues	8	25	7	40
Fraudulent behaviour	1	2	4	7
	22	70	48	140

The Hon. R.L. BROKENSHIRE: For the benefit of honourable members, the table indicates that, despite the Premier's Taxi Council doing its work and supposedly concluding its review in 2007, the level of assaults on passengers and drivers, poor service to the disabled and women, lack of local knowledge, poor driving skills and training levels, fraud and structural issues continues to grow. It is not just media attention: a survey of a significant number of drivers by the Adelaide cab drivers association revealed that:

- 83 per cent of drivers believed standards had declined in the past five years;
- 92 per cent believed there were more drivers with poor driving skills than five years earlier;
- 89 per cent believed there were more drivers lacking location knowledge in Adelaide;

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- 95 per cent thought a licence should be held for 12 months before getting a taxi licence (which relates to my bill that I am also introducing today);
- 79 per cent believed that complaints from passengers were increasing;
- 68 per cent believed the Taxi Council of South Australia does not fairly represent the industry in South Australia; and
- 71 per cent believed the Taxi Council was representing the interests of the radio companies and not the needs of the industry.

I turn to a survey by the influential Tourism and Transport Forum, known as the TTF, which represents 200 companies employing over 450,000 people. The TTF released a survey last year showing that over 66 per cent of chief executives were dissatisfied with the taxi industry nationwide, while 83 per cent of those surveyed said they supported industry reform to open up greater levels of competition.

My colleague the Hon. Dennis Hood is on record in this place, and elsewhere, fighting for **justice for the blind** whose guide dogs are refused entry to taxis. I observe that, in the article of 6 February to which I earlier referred, the Taxi Council said that it wanted to increase penalties for drivers who do not accept guide dogs.

We should pause for a moment. I believe that the responsibility for this clear problem in the industry rests with training and not with the drivers. It has been easy for government and industry chiefs to blame drivers, but one has to look at the quality of training that drivers receive. I am also aware of a case involving an industry internal review of a guide dog refusal case that suggested that a decision adverse to a driver had been made before the internal tribunal had sat to hear evidence on the matter. That is a matter where not only should recommendations be made but it also might ultimately be a matter for either the Anti-Corruption Branch or an ICAC, if we have one in the future.

With respect to the question of **poor driving skills**, I will introduce a bill which addresses that matter by ensuring that an open Australian driver's licence is held for one year before a person can drive a taxi. That could be of enormous assistance to the industry.

**Assaults upon drivers** can arise because of poor driving skills, and I have heard an unsatisfactorily high number of complaints from industry participants of drivers who do not know where Banksia Park is, or the Adelaide Festival Centre or the like. One can understand, but not approve of, why people might get angry with a driver in those circumstances. Some within the industry have tried to respond by calling upon the public

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to be understanding. However, why not use the money to better train drivers? The committee can look into that matter.

However, sadly, there is a **racial vilification** element with respect to the question of assaulting drivers. Many of the drivers who have been assaulted are immigrants who have come to this country to make a decent living. The committee would also be able to look into that issue.

The matter of alleged **sexual assaults**—sadly, largely upon women—by drivers needs a very serious investigation by this parliament. It is well and good for the Office for Women to encourage women to reclaim the night, but if young women are not safe in a taxi they will not want to go out into the night. The harrowing stories we have heard from a driver informant to the *Sunday Mail* about grossly drunk women getting into taxis in the early hours of the morning in Hindley Street and the like should strike horror into the hearts of parents of teenagers. Again, I believe that these problems can be dealt with by better training and cultural understanding.

In relation to **country taxis**, we have had a debacle of regulation in this state, and this matter has a history that needs close inspection. The Hon. Robert Lawson gave notice today of a disallowance motion that will allow a detailed debate on this issue. At this point, suffice to say that people who in good faith invested six digit sums in country taxis in various regional centres have had that investment undermined by state and local government, and that deserves considerable select committee attention. No-one likes being ripped off but, when the government does it, not only is it wrong but it is also scandalous. These are allegations, of course, but I have heard enough of them to be convinced of the need for a select committee.

Further on the subject of country taxis, when the regulations currently being foisted upon the operators of country taxis were put to local councils, I am told that the overwhelming majority voted for an option different from that which the government has now imposed upon the country taxi industry. That also is a matter, should we be successful, that I will be asking the select committee to investigate. Why on earth seek input and then go against it? It is this kind of behaviour that Family First believes needs to be looked at, otherwise undemocratic and potentially corrupt behaviour can occur.

**Access vouchers for the disabled and the elderly** are, I am told, being rorted and abused. The saddest thing is that that means these vulnerable people in the community have less money available for taxi subsidies because unscrupulous drivers and hire car

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operators are lining their own pockets with subsidies. In the worst cases (and I have heard this a few times), vulnerable people have received demands to hand over multiple docketts to a driver so that he can rort the system. I have also heard a terrible story involving an elderly lady where the driver drove off after she got out of the cab. The driver knew that she had groceries in the back. Those groceries allegedly have never been returned and I understand that that lady, who is a pensioner, went hungry.

I could go on, but I urge honourable members to support the establishment of this select committee and carefully consider the evidence given to it. I assure members that those giving evidence will be very grateful if the council establishes this committee. This is an important industry. It is a flagship industry for tourism, it provides essential services and it needs to be conducted in an absolutely professional and ethical way. I commend the motion to establish a select committee inquiry into this matter to the council.

Debate adjourned on motion of Hon. B.V. Finnigan.