

# **STANDING COMMITTEE ON LEGISLATION**

## **TAXI AMENDMENT BILL 2005**

**TRANSCRIPT OF EVIDENCE TAKEN  
AT PERTH  
WEDNESDAY, 15 FEBRUARY 2006**

**SESSION FIVE**

### **Members**

**Hon Graham Giffard (Chair)**  
**Hon Giz Watson (Deputy Chair)**  
**Hon Peter Collier**  
**Hon Sally Talbot**

### *Substitute Member*

**Hon Simon O'Brien**

### *Participating Member*

**Hon Ken Baston**

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**Hearing commenced at 2.03 pm****DAVIES, MR BRUCE****Managing Director, Combined Taxi Management Pty Ltd, examined:**

**CHAIR (Hon Graham Giffard):** On behalf of the committee, I welcome you to the meeting. Thank you for attending to assist us with our inquiries. There are a few formalities that I would like to address quickly before our discussions commence. To begin with, would you please state the capacity in which you appear before the committee.

**Mr Davies:** I am the Managing Director of Combined Taxi Management.

**CHAIR:** You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

**Mr Davies:** I have.

**CHAIR:** Thank you. Today's discussions are public. They are being recorded and a copy of the transcript will be provided to you. Please note that until such time as the transcript of your public evidence is finalised, the transcript should not be made public. I advise you that premature publication of the transcript or inaccurate disclosure of public evidence may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege. If you wish to make a confidential statement, you can ask that the committee consider taking your statement in private. If the committee agrees, the public will be asked to leave the room before we continue. Would you like to make an opening statement to the committee?

**Mr Davies:** I would like to make an opening statement based on the submission. Basically, our company is a company whose primary business function is based on purchasing and maintaining multipurpose taxis and leasing out the shifts to the drivers on a day-to-day basis. We currently have 15 of these vans in operation, owned by eight individual plate owners, and about \$500 000 worth of capital tied up in the purchase of the vans and the associated wheelchair hoists. We have 37 registered part and full-time MPT drivers, who currently drive 15 vans, and we are responsible for more than 1 400 wheelchair lifts a month - that is, pick up and delivery of a disabled person to a destination - in the taxi industry.

I, as a director, and other directors in the company, have more than 25 years' experience in the taxi industry. I have previously served on both the Taxi Council of Western Australia and the Western Australian Taxi Association as an executive member. Of the six major taxi companies in Perth, we are the only one that manages maxi taxis or multipurpose taxis.

We basically support the compensation or the buyback component of the bill, based on the views of the eight owners within our group whom we currently lease plates from, all of whom have become passionately discontented with the current re-release of plates subsequent to their purchase at prices that would effectively rob them of an exit mechanism from the industry. We also support the government's theory that by buying all the plates back from these owners, it gives the whip hand, if you like, to the government in being able to control the release price of these plates and being able to effectively manage the entry of operators into the market by being able to control the price at which the plates are released. At the moment the government is stuck between the devil and the deep blue sea. It would probably like to release the plates at even \$20 or \$30 a week, as they have shown a propensity to do in the past, which would allow a lot more interest in participants coming into the industry, and it could move more taxis out there into the marketplace. However, it is stuck between wanting to do that and not being able to because it affects a group of dedicated service providers who have been in there for more than a decade providing the wheelchair service, and it

devastates the value of their plate and their investment. For all the reasons that you heard earlier when listening to these guys, you can tell that they are a pained group.

I guess from a perspective of whether I agree with the buyback philosophy or what improvements the buyback will put in place once it occurs, I do agree with the philosophy that once the government has all the MPT plates, it will be able to release them at a reasonable price that will meet the market demand and provide incentive for owners to go out and buy vehicles, lease the plates and provide the service, which is ultimately the most important aspect of this exercise.

I think that you would be forgiven for thinking that someone in charge of the taxi industry has gone to sleep at the wheel over the past seven years, if you agree with the remarks of the last witness. I guess many of the things that he said were quite true and correct. There are a lot of issues in the taxi industry that are not right, but I would really like everybody here to try to remember that we are here to try to decide on a buyback or compensation package, and this is probably the first step that is required in a number of steps subsequent to now to fix the industry and perhaps put things back on a more even keel. I do not think that going away to launch some other grand inquiry into all the other things that might have been wrong and that were pointed out to you by the previous witness is going to help anybody, particularly when you consider that a lot of the guys who own these plates and provide the service are in some pain now and have endured years and years of pain that was triggered initially by the release of the 25 non-transferable plates for \$1 000 or more. That was basically the start of the rot.

I think that we are in a position now to make an improvement. I agree with the improvements that have been proposed by supporting the passage of this bill. I think there will be an opportunity, once that occurs, for things within the MPT industry to get better, with proper cooperation and consultation between the private industry and the taxi unit. I guess what I am trying to say is that I think I would like to get back to the basics of why we are here and what we are trying to decide.

[2.10 pm]

We are a group that supports some specific content within the bill. We, as Combined Taxi Management, qualify under the term "eligible operator" in the bill. This would effectively allow us to continue to provide the service that we provide for a period that coincides with the existing lifespan of the \$500 000 worth of vehicles that we have out there. We feel that we are an important component. If we do not have access to the plates post-buyback, because we are not an individual, we are a company, it will put the livelihood of the 37 drivers in our group at risk, it will put the 1 400 jobs a month that we do at risk, and it will devastate to a certain extent the investment we have made in the vans. We are a rare commodity in terms of taking this position with MPT vans because, as I say, none of the other six management companies is interested in the MPT game at all. We are the only people who go in there, on very small returns basically, to provide this type of service. We would like to maintain our position in the game without being exposed to the financial loss of losing the vans. That is why we support that component of the bill.

In conclusion, I think that the bill effectively addresses the continuity of service to disabled people and the retention of the dedicated service providers. To some extent concerns of poor service have been addressed recently with financial incentives to reward drivers who complete wheelchair taxi hirings. However, we see this as the first step to a correction stage of gross imbalance that still exists within the industry. We urge you to compensate these owners and allow us to continue to operate as a group post-buyback.

**CHAIR:** We do not have any further questions for you, Mr Davies. Thank you very much for your evidence today and your submission. That will be considered by the committee in its deliberations.

**Mr Davies:** Thank you.

**Hearing adjourned at 2.13 pm**

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