

Response to the Draft IPART Report March 2025

By the Australian Taxi Drivers Association

We thank IPART for its efforts in producing such a wide ranging and positive draft, and for the on-line Discussions, and wish to submit some views of Taxi Drivers that might, if accepted, improve the results for all Participants. As it stands it's all for Passengers.

Unfortunately, what we now have denigrates the worth, value and professionalism of Taxi Drivers.

We note, with regret, some ten years of neglect in maintaining Fare currency, that Taxi Drivers are also subject to Inflation and Cost of Living increases, and these Recommendations on Rank and Hail Maximum Taxi Fares still leave the average Taxi Driver earning much less than the Minimum Hourly Wage for his best efforts.

From our viewpoint, the Terms of Reference provided that the "costs of providing the service" be one of the issues considered, and that this appears to have not been done.

Our key views are :

- That Taxi Fares be common across NSW.
- That a second Distance Tariff be at a greater rate than that for the first 12 kms, if at all.
- That a Sydney Airport Fixed Fare to the CBD be \$70 for Taxis and \$100 for Maxi Cabs all inclusive of Levies, Tolls and Transaction Fees, if it is to be trialled.
- That IPART recommend a 100% Subsidy on TTSS Trips to assist Disabled Users
- That the WATDIS payment be \$50 on all M50 Wheelchair Trips to incentivise participation.

In a society where, for most other suppliers of services, the Regulated Prices charged are subsidized by Government to ensure that a cost shortfall does not burden the Industry's workers, and that, for Unregulated Services a free market operates on entrepreneurial Supply and Demand, it is fundamentally unreasonable that a Taxi Driver is expected to work for less than the Minimum Wage.

In our brother, and hitherto unregulated Industry of Rideshare, the NSW Government is re-drafting the Industrial Relations Act to ensure "gig workers" are fairly remunerated. In Public Transport, IPART itself notes an overall cost recovery of about 25% from Fares and thereby a massive Subsidy.

In failing to report the costs of operating a Taxi Services, IPART has devalued and dismissed the worth and value of Taxi Drivers. IPART specifically notes that Fares are, in real terms, producing less Revenue but more Takings than in 2014, without quantification. Still less than \$12 an hour.

The Association and our Drivers accept the reality of a lost decade of fair fare determinations.

We would not now burden our Passengers, and accept that Industry "Reforms" have reduced Operating Costs. We note that those cost reductions have not been passed on with matching "wage" increases. But we continue to believe in "A Fair Share of a Fair Fare".

With the five modifications proposed above, if accepted by Government, we would have the starting point of a working and sustainable Industry. We would have an Industry that offers its Workers the opportunity to earn the Minimum Wage and more, if jobs per shift increase substantially.

We recognise that it is our task as an Industry to increase Taxi Utilization and Driver Earnings.

- That Taxi Fares be common across NSW.

Unless Taxi Fares are structured on an Operating Cost basis there seems little point in maintaining another set of Tariffs for non-urban Taxis, particularly so when Taxis can now operate across NSW. That non-urban Fares are more expensive is without a cost-based foundation, and a large majority of trips are Booked Trips. There are some Security Camera issues, and it is our Association's policy that all Point to Point Transportation vehicles should have Duress / GPS systems as standard, and in all parts of Australia. The technical issues of having so many Tariffs built into a Meter are also to be considered, as well as the virtue of consistent meter increments. If there is an increase in the Distance Rate after 12km, it should be universal. Where is the impact modelling for that scenario ?

We would see a change in the Night Tariff to commence at 7.00 pm.

We therefore suggest a standard Taxi Tariff rate from July 1st based on :

Starting Fee \$5.10 Distance Fee Tariff I \$2.35 km / Tariff II \$2.80 km Waiting Time Fee \$1.05 min

The one cent variations facilitate meter settings, and maintain 5 cent increments

- That a second Distance Tariff be at a greater rate than that for the first 12 kms, if at all.

Much of the argument presented by IPART for a lower Distance Rate after the first 12 Kilometres relates to reducing the wait for longer Fares from the Airport. Possibly valid, but an imposition on the majority of Fares not from the Airport. The argument, established for non-urban trips is for an allowance to compensate for a return, vacant, trip. For those with longer memories, there used to be a regulated fare for out-of-area fares to the return to the border of the Metropolitan Transport District. Given that the longer a trip is, the longer is the return to the next likely pick-up.

There should be either no factor for longer trips, or, if at all, it should be at an increased rate.

- That a Sydney Airport Fixed Fare to the CBD be \$70 for Taxis and \$100 for Maxi Cabs all inclusive of Levies, Tolls and Transaction Fees, if it is to be trialled.

Whilst a Fixed Fare from Sydney Airport to the CBD will give intending Passengers much desired Certainty, it should not come at a cost of Uncertainty for Taxi Drivers. Most trips from the Airport are at peak traffic times, and the gridlock impact of a traffic incident as far away as the Harbour Bridge or Spit Bridge are both recent and massive. Maxi Cabs are carry more than a Standard Taxi's capacity for only one and a half times the Fare. There is already a \$40 discount.

With a quoted range of Trip Times of between 15 and 30 mins , and "typical" traffic conditions, the Fixed Fare needs be at least \$70 and the Maxi \$100. To avoid semantic issues it should include the 5% Transaction Fees on Credit Card payments. There will be an occasional cash bonus to the Driver.

We are also of the view that compliance by the Driver with correct operation and receipting of the Metered Fare is the ideal solution, proven by several centuries of usage. The use of Postcode 2000 is logical but not ideal, with many inconsistencies. Would a Fare from the Airport to the Blue Hotel at Woolloomooloo be a Fixed or a Metered Fare ? A geo-fenced map might be more consistent.

A trustworthy Meter is better and a lock between Meter to Eftpos is better still.

- That IPART recommend a 100% Subsidy on TTSS Trips to assist Disabled Users

If Government were to fully fund the TTSS there would be a massive benefit to the Disabled Users, and a considerable increase in Demand for WATS. Of the currently reduced fleet, and for that majority who do not sign-on to SCIA to be available for jobs, there would be a substantial increase in work, and consequentially in Driver earnings. Access to the TTSS system would need to be available to all Registered Taxis and not just those with a Cabcharge *Eftpos*.

Currently, SCIA is not an effective Centralised Wheelchair Booking Service.

The TTSS should revert to being capable of subsidizing each user, on a multiple hire basis, and not to a limit of one charge per trip.

- That the WATDIS payment be \$50 on all M50 Wheelchair Trips to incentivise participation.

Having effectively abandoned the previous substantial incentive of Zero Plate Fees for WATS by the \$30,000 + Fees on Taxis generally, there needs be significant re-incentivization to re-build the WATS Fleet. The increases from March 1st are welcome, but are not enough to effect a change.

IPART and Government are well aware of the extra costs of setting up and operating a WATS Vehicle compared to a Standard Taxi, but are not prepared to compensate the Owner / Drivers for their efforts. Complete details of the Assistance Packages are not yet available, but our cost-based analysis indicates that the WATS is unsustainable. That less than a third of a much reduced Fleet is engaged in active WATS work for SCIA is indicative of the problem and of the service failure.

An extra \$10 a job is not going to make a change !

These two proposals would necessarily increase the TTSS Budget but the benefit to the much disadvantaged Disabled Community would be a minor addition to the subsidies already given to Public Transport users. It would also be a step towards Universally Accessible Public Transport.

We note the comments on the Survey undertaken by IPART on Taxis Utilization and Costs. Certainly, the recommendations are Affordable to Passengers, but equally certainly they do little to bring Taxi Driver Earnings up to a socially responsible and sustainable level.

Whilst it is complex, there is no presented Taxi Cost Model against which we can model the impact of these proposed Fares, and in particular input various Waiting Time component. The Taxi Cost Model has been updated for this Review, but it is not available. It would be useful to also present a separate WATS Model.

There is a mention (1.9.2) of IPART having assessed its proposals against models, but, where are those Models ? The Technical Workshop provided some answers, but not all. How about a specific WATS model ? How about a model using constant Distance rates ?

After twenty-five years we still have very little quantifiable data.

The relatively substantial increase in the Starting Fee is welcome, and is at the limit of consumer acceptance, but any decrease in the other fare components will not be accepted by Drivers. For long-term sustainability we must, as an Industry, improve Taxi Utilization.

We might, one day, consider Driver Turnover, Industry Superannuation and Illegal Predatory Pricing

Specifically about WATS.

There is a manifestly obvious difference between Taxis in general and Wheelchair Accessible Taxis.

WATS vehicles cost twice as much to purchase, set-up and operate. WATS Drivers can only charge the Rank & Hail Maximum Fare on TTSS trips, and the extra time in loading and unloading is compensated by a "Lift Fee". No compensation is made for 'dead running' between jobs, and given the reduced number of active WATS Vehicles that cost is a significant factor in causing the current Service shortfall. Prompt pick-ups require about 500 vehicles across Sydney.

Transport for NSW is well aware of the issues confronting Disabled members of our Community who are unable to use regular Public Transport. The TTSS provides some assistance with the cost of using WATS. IPART notes "significant unmet demand and excessive waiting times for passengers who need a wheelchair accessible taxi (WAT)," and appears to hope that the "package" effective from 1st March will solve the problems. It will not !

The package increases the WATS Lift Fee from \$15 to \$25 (GST not included), it provides an extra \$5m for the Interest Free Ten Year Loan, and \$2.25m (retrospectively) for vehicle re-fits. It's not enough !

To set-up and operate a WATS costs twice as much as a Standard Taxi. Generally, it is operated as a "one-out" Owner / Driver with less time on the road to recover its Operating Costs. It has the benefit of occasional Maxi Cab Fares (150%) but must carry TTSS Passengers at the Rank & Hail Fare. If the Driver has built up a cohort of Regular WATS Passengers who can be scheduled into a pattern without excessive vacant running and positioning downtime he might be able to do ten jobs in a day shift. He would inevitably breach Booking Service Regulations, and he might earn \$500 + a day. But even then he would earn less than the minimum Hourly rate or be able to pay off the Vehicle.

To make matters worse, that Owner/ Driver is locked into one Network, or must rent its system, so as to get the TTSS Payment. All additional costs.

The current system is not viable and is unsustainable. With only an extra \$10 a trip, and given that a WATS is physically limited to a maximum of at most 10 jobs a day, the situation will not improve.

By increasing the TTSS Subsidy to 100% will substantially increase Demand, and will influence Drivers of that large number of WATS not doing M50 work, to service the Demand. At the same time, by increasing the Lift Fee to a flat \$50.00 there will be a significant reason to service the M50 work.

IPART is rightly concerned with affordability on the part of Passengers. Our proposals enhance that affordability at a comparable cost to Government which is currently picked up by Government for Public Transport users. Since TTSS holders are by definition unable to use regular Public Transport, our proposals are socially equitable.

There remains the problem of the cost of operations. It is not worth spending \$150,000 on a vehicle when a Standard Taxi can provide a better return for a \$60,000 investment. The Interest Free Loan needs be a \$65,000 Grant and a \$65,000 Loan. And the vehicle needs be a Hybrid Van able to be purchased and converted for less than \$80,000. Contrary to the previous Minister for Transport understanding , such a Hybrid vehicle is readily available and already one is on the road.

To wrap up a good package the WATS Booking, Despatch and Payment systems need be updated. Route Planning is an easily accomplished function for an AI enabled system, and the TTSS / WATDIS functions do not need to reside with a single, monopolistic, provider.

Michael Jools Australian Taxi Drivers Association 21/3/2025