

ROSS NELSON

29 - April 2002

IPART REVIEW OF TAXI FARES IN NSW

To whom it may concern

Please consider the following:

The "mix of taxi fares should be examined. That is, the proportion of distance, waiting time and phone booking.

I propose that the waiting time component be significantly increased to reflect the current reality of taxi driving in the Sydney Metro Area.

My suggestion for the amount of the increase is an equal amount to the tariff when a taxi is moving at 55 km/hr.

I do not propose anything for any other part of NSW.

I also **propose** that ~~the~~ phone booking fee (currently **\$1.15**) should rise to \$2.00 with the proviso that the taxi networks "**call on** approach" every passenger **who** phones for a cab. In lieu of these increases, I think a more modest increase in the kilometre rate would be appropriate.

Reasons for waiting: time increase

1. Recognition of the reality of driving a cab in the Sydney metro area.

Due to the expansion of Sydney's population the traffic is moving slower, therefore the price of the labour content of a cab fare diminishes. At the current rates the "waitingtime" activates at around the equivalent rate of a cab travelling at **30 km/hr**. If a taxi is working in a highly congested area its average speed is unlikely to ever achieve **30 km/hr**, engaged or vacant. Therefore the unpaid time of picking up the next fare should be considered.

2. Social Fairness

Those most able to pay for cabs are currently paying a lower "per hour" rate than the poorer members of society. That is, business passengers, whose fares are tax deductible and GST neutral, tend to use taxis in the more congested areas at the **peak** times. The elderly and young tend to use taxis at off-peak times. (Their fares are paid in "cold blood", ie, no tax deductions.)

If the waiting time part of the fare bore the largest increase the "business" passenger would pay a rate closer to the "off peak" passenger.

In effect, poorer people are subsidising richer ones at present. For example, a pensioner travelling from Doonside to Kings Langley would pay a far lower per hour rate for a cab than a 500K pa executive travelling from Vaucluse to the CBD at **8.30** am.

3. Price Sensitivity

Cab travel is already an expensive luxury for many. By increasing the waiting time, the wealthier people would bear the brunt of a fare increase. To increase the kilometre rate would hurt the poorer people of the western suburbs (who travel longer distances) and the young and elderly who catch most cabs off-peak.

4. More efficient use of available cabs

When it quickly becomes known that the "meter now ticks much faster", if you keep a cab waiting outside your door, most people would get into the cab quicker. In my experience, taxis wait for passengers to leave their dwelling longer when the demand for cabs is greatest - ie, morning peak having a shave; evening peak putting on make-up, etc.

Reasons for phone booking increase

1. Recognition of the labour content of phone bookings

Many bookings are advance bookings. On the CCN network these bookings are usually dispatched seven minutes in advance. Routinely the taxi arrives at the pick-up point five minutes in advance of the booking time. The current \$1.15 does not adequately compensate the driver for this "dead" time, or the "running time" to get to the pick-up point.

2. Increase of service

Some passengers do, currently, receive a "phone on approach" for free. If the taxi networks were compelled to give this service to every passenger who phoned for a cab there would be much less wasted time chasing M3's (passengers who call for a cab but are not there when the cab arrives). Logically, if every taxi that attempted to pick up a radio booking was successful, they would be free to service more passengers at the peak times. Currently, many passengers have a feeling of insecurity when they phone for a taxi, hence they phone up and then go to the street and hail a taxi. Mandatory "phone on approach" would help.

If part of IPART's function is to negotiate with the taxi industry and the NSW Government, I would also suggest that the elimination of all tolls ~~roads~~ for taxis would increase the efficiency and decrease pollution of Sydney's road system

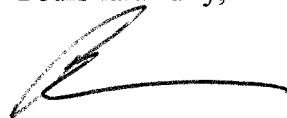
It is my belief that Sydney has far too many cabs, which makes it difficult for drivers to make more than a subsistence living. Most do not claim holiday pay or sick pay

entitlements. Almost none are members of a union.

I put my proposal to you as a "middle ground" one that would maintain the passenger base at the cost **of** those **who** can most afford it.

I have been licenced to drive a taxi in Sydney since 1979 and have done so for almost all of that time. I **am** a current taxi driver and I have driven approximately 1.7 million kms as a cabbie.

Yours faithfully,

A handwritten signature in black ink, appearing to be "Ross Nelson", written in a cursive style with a long horizontal stroke extending to the right.

Ross Nelson