

Australian Taxi Drivers Association

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... a fair share of a fair fare ...

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IPART has leapt ahead of the world's technological and automotive innovators to create the ultimate driverless vehicle, and all by the stroke of a pen. Taxis in NSW no longer have to endure the cost of having a driver to operate the vehicle, nor even to lease a Taxi Plate. Total Nonsense.

After years of inconclusive inquiries into modifying and justifying the level of Taxi Fares by a reasonable balance with the average costs of operating a Taxi, it has presented a flawed study into but a part of those costs, and concluded running costs of \$ 0.16 per kilometre and about \$2.00 per trip , and thereby reflective of a massive overcharge over the \$2.19 now charged as the Distance component of a day-time Taxi, and a \$3.60 Flagfall.

Taxis in NSW are charging as the maximum regulated fare structure the same as four years ago: overall operating costs have not been reduced in that period, and now less trips are being made by Taxis. Ask any Driver. The hourly earnings, without any form of Annual Leave, Sick Pay or Superannuation are now about \$7.50 for the average taxi driver. About 1/3 of the National Minimum Wage. Ask any Driver.

Yet there are still Taxis on the road, servicing the public at a fare rate effectively, after inflation, more than 10% less than in 2013. Why are the drivers still driving for so little reward ? Because they have no effective choice or alternative; because, if they work 100 hours a week they can earn a reasonable income; because, as students, there is no effective limit on hours worked; because they are optimists.

Because, through lack of other skills, taxi driving is for many, the best alternative. And, in many cases, because the flexibility of non-employed engagement permits other personal and domestic needs to be accommodated. A sickly wife or a disabled child can be better looked after by a taxi driver not wholly committed to regular hours. And, in the less than 20% of taxis operated solely by an owner driver, it is his entire livelihood and investment – there is no choice but to drive. Some income is better than none.

The reality remains a situation of extreme worker exploitation, facilitated by the Government of NSW, perpetuated by IPART, and worsened by the still unfair competition of so-called Ride Sharing.

The example set by the State of Victoria to deregulate its Public Passenger Transport Industry, saving issues of Public and Driver Safety in Taxis is indeed exemplary. The remaining issues of worker protection have been bypassed by the easy alternative of an owner/operator model in which there are no workers to protect. What remains is an industrial situation of either employment or of an independent contractor status for those persons engaged to drive a Public Passenger Vehicle.

That incurs a wage, or equivalent contract of about an average \$25 per hour. And that is the crux of the issues which should be addressed by IPART and State Governments. For the 5000 hours driven by a Taxi, there is now a \$125,000 a year cost liability of engaging drivers. For what might have been a \$140,000 fare revenue in 2014, according to the CIE, the industry was unsustainable. Now, it is manifestly unsustainable.

Taxis are only on the road because their Drivers are accepting the unacceptable - \$7.50 an hour.

After decades of a lack of care or responsibility, Networks are now faced with a mandatory and enforceable Duty of Care. Suddenly Fatigue is an issue, and with some amusement we note that this is being passed for blame onto the very Contract Determination resolutely ignored for 30 years. But will drivers continue if they can't drive for more than twelve hours. How will Operators survive without the weekend "semi" ? Or the perhaps illegal Weekly Lease ?

All of this is not however an argument for increasing fares. The iron walls of Price Inelasticity and Ride Share Unequal Competition block any advantage from a fare increase. We, the Drivers, accept the market reality, and seek a redistribution of the fare revenue. We are prepared for a few more years of price freezes and effective fare reductions, but must have a fair share of what is now an unfair fare.

Only increased usage, only more trips per shift, will stabilize and restore the Industry. And lower costs.

Those massive costs, now ignored by IPART, of unreasonable Plate Lease Fees, and, miscalculated by the CIE, of Insurance Charges and Network Fees, must be reduced by Government intervention. The savings or excision of \$30,000 to \$50,000 per taxi would go a long way towards providing proper worker entitlements. And, yes, the antiquated folly of the 1984 Bailment Contract Determination, should be replaced by the National Award for Passenger Transportation Vehicles, as the appropriate Industrial Agreement, which would also ensure that Independent contractors are equally protected.

That which IPART is precluded from contemplating is the numbers of Taxis in Sydney. For what appears to be no better reason than the advantages of existing License Owners (who have already received a \$20,000 handout, which more than covers the reduction in Plate Lease fees), whose current income remains at about \$20,000 annually for Plate Lease Fees. The example of Victoria, where a \$100,000 payment expunged the Plates very existence, is laudable.

To create the marketplace levelled playing field, the only solution is to eliminate Plate "values" and open up the whole of the market by open entry. We maintain the necessity of Regulation, and for all players, of Security and Safety Systems and comprehensive data recording of all activities in Public Passenger Vehicles. IPART should accept the moral responsibility of advising Government not only on the qualified questions asked, but also on the essential issues involved in the sustainability of the Industry.

A remaining issue is CTP Insurance, and over not too much time, data should emerge of actual risks and realistic costs. The vaguely proposed rating of 5 cents per km travelled for Taxis and 12 cents per km hired for Hire Vehicles will probably even out fees on a usage / risk basis. We are still of the view that a higher rating on a taxi when hired is more appropriate, considering travel distance to start and finish the shift.

The ATDA would put on record its, and all Taxi Drivers in Sydney, views of the recent elimination of charges for Northbound travel over the Harbour Bridge and Tunnel. Unfair or otherwise as they may have been on the Passenger (and originally Tolls were actually charged in both directions) it is now a direct additional cost on the Driver, which he is unable to recover. He might seek to avoid GST, but the reduction in his income is not an available tax deduction. In all the research IPART has undertaken, where is there data on the cost of returning vacant to the CBD on the only readily available route ? The ATDA puts that cost at \$3600 per annum per taxi.

Issues of excessive Network Fees and fundamentally outdated equipment and technical systems are being addressed by newcomers to the Industry. The ATDA is proud to be associated with one such innovator in particular, TAXIS.PLUS, as an emerging new Taxi Service and Booking Service provider.

In 2018, we will provide IPART with a level of data more than sufficient to prove the need to alter the fare structure for Rank and Hail Taxi Fares, to prove the details of trip distances and time/distance relationships, and to attempt as if from the very start to ensure “ a fair share of a fair fare” for Drivers and a Fair Fare for all Passengers, without the *de-facto* recognition of consumer price gouging by another way of “surge pricing”.

We remain positive in our ambition to restore the Taxi Industry to a state of pride and respect in the provision of quality services at cost efficient prices whilst ensuring the income of its workforce to at least the standards of the Australian National Minimum Wage. \$ 7.50 per hour is a disgrace and an exploitative abomination.

What will be the future ? Clearly it will be without the increasingly irrelevant IPART. What is the point of complex mathematics and flawed statistical analysis on a diminishing market. For non-metropolitan areas, where 70% of taxi work was pre-booked, the open and unregulated entry of Private Hire Vehicles renders the issue of extra taxis unimportant. The real issue for Country NSW will be the supply of Wheelchair Accessible Vehicles. *Transport for NSW* in response is almost ready to extend the TTSS to all Public Passenger Vehicles.

For the City, where, according to IPART, bookings have, within a few years, gone from less than 30% to well over 65% of all trips – however many that may be – and where those fares are unregulated, makes the setting of maximum fares almost irrelevant. The real issue is Technological Innovation and its Adoption.

IPART would appear to prefer disruption on the Ranks, and fights between Drivers, as a proper consequence to disruption and destruction of the Taxi Industry brought on by the excessive self-indulgence of Networks, Insurers, Plate Owners and Government, based on the exploitation of Taxi Drivers. We don't blame Uber – we are shamed by it – and we are determined to re-new and re-model the Taxi Industry for the benefit of its users.

Taxi Passengers and Taxi Drivers.

Michael Jools

President ATDA

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