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8 February 2018

Taxi Review

Independent Pricing and Regulatory Tribunal

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Thank you for the opportunity to provide our comments on your Draft Report on the *Review of taxi fares in NSW and taxi licences outside Sydney from 1 July 2018*.

Dubbo Radio Cabs Co-Operative Ltd has operated taxis in Dubbo, and the surrounding district since 1955. Dubbo Radio Cabs are well respected and supported by our loyal clients and strive very hard to ensure our service delivery is up to or exceeds our customer's expectations.

In this time we have invested enormous effort, time, intellectual property and money to build our brand, and by offering good reliable, safe and clean taxi services we have built goodwill in our business and our brand, which our customers respect.

We currently operate 22 Taxis of which 6 are Wheelchair accessible vehicles, equating to 27.5% of our fleet. We have been pro active as the population has increased we have increased our fleet to meet the demand of our customers. We have procedures in place to increase the fleet as required.

We did attend the IPART Public Forum held in Dubbo on 6<sup>th</sup> February, 2017 and must state at the outset, we are alarmed that IPART can make such recommendations without, what they admit themselves, any real reliable and accurate data. Since the Public Forum in Dubbo we have asked our staff to put together our data for your use, so that it may be viewed by you to assess the state of the country taxi industry. We would ask that this report be halted until reliable data can be sourced and evaluated by IPART.

In response to your draft report we would like to respond to your recommendations:

1:1

A: We are in agreement that rank and hail fares should be regulated. Our customers like the fact that their fare comes from a calibrated meter, and that is consistent each trip.

B: We do not agree "...that there is a shortage of taxi licences outside Sydney..." and question how you arrive at this unsubstantiated statement. There are virtually no complaints registered by Transport for NSW about country taxi service and response times. Many country towns/cities have taxi plates "on hold" with RMS as there is simply not sufficient work to have them on the road.

C: The concept of the "Designated Zone" being regional NSW outside Sydney, Newcastle and Wollongong, is ill conceived. The taxi licences have previously been area based in order to ensure the local areas across NSW are best serviced by an adequate number of taxis, and of course this varies from town to town. Having one broad area across regional NSW will allow people to "cherry pick" areas to service at peak times/events each year, without a long term commitment to servicing that area 24 hours a day 7 days a week for 52 weeks a year. If in the peak times, areas/towns are flooded by short term non-local taxi licence holders that bleed these good revenue peak times from the local area network that supports the area/town 52 weeks per year, these operators will be forced to walk away as these peak or high revenue times cross subsidise the quiet poor revenue times such as Sunday- Monday- Tuesday- Wednesday nights when the local residents receive a base level of service.

1:2

A: We believe there is sufficient competition in the taxi/ride share market. Individual taxi owners and drivers within their own network and opposition networks, compete with each other for fares as well as competing with ride share operators. The government brought in legislation on 1 November 2017 allowing ride share operators to compete with taxi services in the pre booked service area, which is the vast majority of the local travel market. These ride share operators have no barrier to entry, have unfair advantage over the taxi operator in areas such as CTP Insurance and safety standards and hence there are no barriers to entry for new entrants into this majority section of the taxi market being the pre booked services. IPART is misleading in their findings that there are big barriers to entry, there is not.

B: We do not have an issue with leaving fares regulated in the rank and hail segment of the market, not due to lack of competition but rather the comfort passengers derive from knowing their fare is at the "pre-set rate" regulated by the government and not allowed to be set by the driver.

1:3

We have no issue with remote areas being exempted from fare regulation

1:4

It would appear that lack of data has been a major reason for many of the recommendations of the IPART review of taxi licences and fares, being misguided and simply unfair to taxi owners and



operators. If Point to Point Commission require additional data to be provided we are happy to supply all our booking and trip data, at any regular interval, they only have to request it.

1:5

A: We are vigorously opposed to the release of 137 taxi licences across regional NSW. The flawed notion that because there is a value on taxi licences is an indication that there is a lack of service and competition, does not acknowledge the work taxi networks and owners have done over many years to build goodwill and trust in their taxi brand. Passengers in country NSW are very loyal to their taxi providers as they have a comfort in the reliability that the taxi service has provided for many years and that the taxis are there for the customers 24hours, 7 days per week, and provide a safe clean travel experience.

B: The fact population has grown faster than the supply of taxi licences indicates what spare capacity there was already in the NSW country taxi market. Taxi drivers were not fully occupied day and night, hence have been able to take up additional work that may come their way, but has also been eroded by ride share vehicles, Community Transport fleets and pub and club courtesy buses.

1:6

A: We are totally opposed to the concept of issuing country taxi licences that are permitted to operate anywhere across regional NSW. If there are areas that can be shown are not meeting acceptable service levels, then there is an argument for release of new taxi licences in that area, but to allow areas that are meeting the service requirements of the area, to be injected with additional new, not required, taxi plates will mean that the existing operators will be forced to withdraw their services as soon as returns to drivers and owners are not at an economic level. As soon as drivers perceive that their earnings are not sufficient for the effort and time they are putting into providing a taxi service they will walk away and find other employment. This will remove that vital level of local transport services provided by country taxi networks to their local residents 24hours per day, 7 days per week 52 weeks per year. The early morning service to emergency hospital departments, the urgent trips for women to refuges in the middle of the night and other trips provided when there is no other transport services operating are all provided by the local taxi, if this taxi is not making a sustainable income they will be forced to withdraw the vital community service that they provide.

1:7

No issue/comment

1:8

No issue with no change to maximum rank and hail fares

1:9

No issue with exempting remote areas from maximum fare regulation

1:10

We believe over time, and as more data is collected by Point to Point Commission there may be a case for investigating any "better" alternative for how to set maximum fares

1:11

Non-tariff charges to stay the same rate- no issue

1:12

Passenger Service Levy should be a separate charge, so that it is clearly identified to the passenger. We believe the taxi passenger should be requested to pay this levy, as this is the method of collection that the NSW Government has chosen and should not be the taxi owner or networks requirement to pay. The taxi industry never requested a Passenger Service Levy, this was totally the desire of the NSW Government.

We do ask that IPART re-evaluates the release of up to 137 new taxi licences anywhere across NSW, in areas that do not require additional taxi plates, just to reduce the value of a licence. This release of new licences/plates is ill-conceived and unfair. If areas are not being serviced with adequate levels of response time then licences should be released, but to allow new entrants to "cherry pick" areas of high income earnings, that existing operators have built up genuine customer loyalty over many years is just unfair. Put any new licences in areas that are poorly serviced, but don't destroy what is a vital and dependable taxi industry in most country towns just because operators have built up value and goodwill in a well serviced taxi area.

Yours sincerely



Greg Collin  
Chairman