

29/01/2015.

Review of Sydney Taxi Fares and Licences,  
Independent Pricing and Regulatory Tribunal  
P.O. BOX Q290  
QVB Post Office. NSW 1230.

Dear sir/madam,

This submission is a follow-up to my appearance representing Action for Public Transport NSW at the Public Hearing on Taxi Fares on 27 January 2015.

I believe that IPART should consider some radical changes to the whole structure of the NSW taxi system. The News that UberX has been operating its ride-sharing system since only very recently (April 2014) but has already taken a sizable share of the potential taxi customer market clearly indicates that radical changes are necessary.

The present system is archaic and belongs more in the era of the Transport Co-ordination Acts which restricted trucks from competing with rail and which were overturned back in 1955 by the High Court.

I repeat my argument that taxis should be considered more from the perspective of supplementing public transport. In 2010 Premier Morris Iemma immediately following the visit of Pope Benedict proposed jitney type services to complement public transport. This proposal quickly disappeared when Joe Tripodi decided that the election of 2009 was not important and he and his numbers men would decide who ruled New South Wales.

The three areas where I mentioned the taxi industry should be adapted to complement public transport by providing shared-riding jitney type services are:

1. Urban sprawl areas where public transport is inadequate and most people quickly conclude that they must own a car, and probably a second and third family car.
2. Cross suburban transport where public transport is always going to be inadequate. Sydney does not have a network like London, but even in London and similar cities some forms of cross-suburban transport cannot be met by public transport alone.
3. Late night transport. We should not be giving alcohol affected persons any incentive to drive their own vehicles. Lack of adequate transport by public transport and taxi will give them that incentive.

There needs to be a complement to public transport services partly because governments dislike running services that are uneconomic. Even in Inner City areas governments will cut-back on or axe completely uneconomic bus services. Jitney type services could be used instead.

The rule should be:

1. Where buses are full or substantially full buses should run.
2. Where buses are substantially empty mini-buses should run
3. Where mini-buses are substantially empty shared taxis or jitney services should run.

Some of the rules governing taxis are ridiculously out-dated and were probably always stupid. For example the rules against touting hinder the economical delivery of large numbers of persons to their homes, especially for late night travel. If a taxi driver, for example accepts a request from a client to be taken to Collaroy, why should he be forbidden to ask whether any of the remaining crowd of clients might want to go to neighboring suburbs like Dee Why or Narrabeen? The idea of the taxi driver-client relationship is suited only to the elite service of for example delivering a businessman to the airport, where cost is no problem, but catching a business flight is crucial.

But the elite service should not be regarded as the one size that fits all. There is a lot of room for shared ride services for persons for whom, unlike the business traveller, cost is a major problem.

Finally UberX present a problem that cannot be met just by more regulation. I have attached an article from the Australian 20/1/2015 p.23 which makes clear that it is a modern system which suits the 21<sup>st</sup> century. Part of the problem as the manager Mr Travis Kalanick argues is that taxi regulations have been added beyond those that protect people to set of rules that protect incumbent industries. That goes directly against the current ethos which is that free markets should dominate the modern economy. (See highlighted passages)

The UberX system has an important role to play in the modern economy. Any attempts to destroy it would be comparable to the actions of the Luddites. To argue as the Taxi Council representatives have argued that its services are illegal is to miss the point. Why are they illegal? (if indeed they are). It is because governments have been protecting a monopoly which does not serve the public interest. The very shamelessness of the Taxi Council under its manager Mr Kermode instituting a 10% credit card fee is an indication that it has too long seen itself as an unassailable monopoly with undisputed government protection. It is time for this situation to end.

Yours faithfully,

Graham Hoskin.