

For a long time I've watched IPART increase Taxi fares in some misguided hope to increase driver pay and/or justified on some complex and somewhat arbitrary and easily manipulated Taxi Cost Index. This hasn't worked, it has just made more money for Taxi plate holders and made Taxi's less attractive for the public and provided no extra money for drivers.

It's good to see that IPART has finally woken up to this.

Simple supply and demand can be used on the problem.

While there is no minimum pay legislated for drivers and Taxi licenses they will be paid on a supply and demand basis as they are now. Raising fares has been proven not to help them this shouldn't have been a surprise. Taxi plate holders effectively determine driver pay. While there is an artificial limit to the number of taxi plate licenses, they hold the power.

Given that the value of plate licenses has been rising, it stands to reason the return earned by taxi plate owners has been rising. This benefits no one except the taxi plate holders. What's worse is that the value of these plates has risen in an environment where there was always the potential for regulators to remove the artificial constraints, which would suggest either 1. Plate holders are confident the govt/regulators would never address the problem or 2. The returns are really really good.

This finally seems to have been recognised. So your measure of success with this fare setting exercise and the new license issue process should be to engineering an orderly reduction in the cost of these plates and a corresponding cut in taxi fares.

Hence your idea to cut Taxi fares is spot on. If you go too far, in the first instance it won't affect driver pay, nor the availability of taxis. The first indication will be that plate costs go down which is a good result. They are unlikely to plummet with a 2.5% reduction in fares this will be more impacted by the number of new licences you issue.

On your specific questions:

- . 1 Would you support reducing fares by 2.5%?

Yes for above reasons

- . 2 Would you support a decision not to increase taxi fares this year?

Yes, although preferences is for a drop.

- . 3 Would you support indexing fares by the Consumer Price Index (CPI)?

NO, until plate costs have been reduced or are at least going down there is no need to increase tax fares.

- . 4 Would you support the Taxi Cost Index approach?

- . NO as above until plate costs are reduced or going down why would you increase fares at all.

- . 5 If we decide to retain the TCI approach, should different inflators be used for labour costs and annual licence costs?

- . NO what is the point of using some artificial easily manipulated figure. Just use supply and demand on plate costs. Unless they are decreasing in some unorderly manner there is no need to do any cost approach.

- . 6 Should we consider introducing an additional peak surcharge on Friday and Saturday nights with a corresponding reduction in other fare components? At what level should it be set?

- . The question is does any of this surcharge go to drivers? If it doesn't then why consider additional surcharges.

- . 7 Should we consider removing the night surcharge on

Sunday to Thursday nights?

- . As above, does this increase driver pay for these shifts? I don't know the answer to that but if it does it should probably be retained.

- . 8 Should the flag fall charge be increased in combination with a reduction in the distance (per km) and waiting time (per hour) charges?

. NO

- . 9 If you support changes to the balance between long and short distance fares, which of the three examples outlined in section 4.2 do you prefer?

- . I would support a reduction in long distant fares vs short distance.

- . 10 Are the booking fees set at the right level relative to other fare components?

- . Could be raised if there is a corresponding reduction in other components.

- . 11 Should booking fees to continue to be subject to a regulated maximum?

. YES

- . 12 Should taxi meters be linked to e-Tags so that tolls do not need to be manually added by a driver at the end of a journey? 39

13 Should passengers be charged a toll on northbound trips across Sydney Harbour?

NO

- . 14 Should the maxi taxi surcharge be levied as a dollar amount rather than a percentage loading on the metered

fare?

- . No comment
- . 15 Should urban taxi fares continue to be the same as Sydney taxi fares?
- . No comment
- . 16 Should the process for setting urban and country fares be the same as that used for Sydney fares?
- . No comment
- . 17 If we decide to use a modified Taxi Cost Index to set Sydney taxi fares, should the same changes be made to the country Taxi Cost Index?
- . No comment
- . 18 Are changes required to the fare structure (individual fare components) in country areas?
- . No comment
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