

*TTF Australia is a national member-funded CEO forum, advocating the public policy interests of the 200 most prestigious corporations and institutions in the Australian transport, property, tourism & infrastructure sectors.*

## Tourism & Transport Forum (TTF)

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### Submission to IPART on the Draft Recommendations for Taxi Fares

May 2008



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**TTF**   
**A U S T R A L I A**  
Tourism & Transport Forum

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## About the Tourism & Transport Forum

The Tourism & Transport Forum (TTF) is a national, Member-funded CEO forum, advocating the public policy interests of the 200 most prestigious corporations and institutions in the Australian transport, property, tourism & infrastructure sectors. TTF's membership includes the major operators and investors across tourism, transport and infrastructure.

TTF is committed to improving the quality of passenger transport across the country. TTF's Members include public transport operators, investors, infrastructure developers, consultants and many others with an interest in improving accessibility in Australia. TTF is working to give people genuine transport choices that meet their needs, by encouraging the integration of land use planning, infrastructure development and community and business requirements.

## **Introduction**

The taxi service provided in NSW, particularly in Sydney, is of a poor standard and must be improved. Businesses, tourists, the general public and Sydney's reputation as a Global City are frustrated by a poor quality taxi system. The root failings of this service stem from poor customer service, a lack of adequate training, high barriers to entry and the virtual monopolisation of the industry by a few key players.

TTF in this submission makes the case that taxi fares should not be increased in 2008 due to sub-par service standards and a lack of competition. TTF also asserts that 'premium' taxi services should not be charged at a higher rate as they effectively deliver the base level of acceptable service.

TTF has conducted a survey of its CEO Members to obtain information on the perception of the taxi industry in Australia. The findings of this survey indicate that there is widespread dissatisfaction with the performance of the taxi industry. These findings are discussed in the report, and presented in full as Appendix 1.

## Response to Draft Determinations

### Fare Rise Proposal

In its initial submission to IPART for the 2008 Taxi Fare Determinations, TTF noted that:

Taxi fares should not be raised in 2008 for the following reasons:

- Service standards of the taxi industry are poor and raising fares would be unfair on those who depend on taxis; and,
- A lack of competition in the taxi industry nationally has over-inflated the price of taxi fares.

TTF considers these issues to still exist, as the results of our Member survey have identified (see Appendix). The proposal to raise taxi fares by 3.8% in urban areas is therefore not supported.

TTF also noted in its original submission that IPART has previously noted that it bases its fare recommendations on things such as the impact of changes in fares on taxi passengers and drivers. We contended that an increase in 2008 would be unsatisfactory on taxi passengers. Since then, the Australia Taxi Drivers' Association (ATDA) contended that IPART should look to measures beyond simple fare rises as well.

### The LPG Review

There is no doubt that LPG price rises in the past year have inflated to a level which places an unfair burden on the taxi driver. In principle, TTF supports measures which ease this burden.

The proposal by IPART to conduct six-monthly reviews of LPG prices and adjust fares by the same percentage may force the passenger to pay the operators more, who carry none of the burden of the rising costs. Companies such as Cabcharge, who levy the cost of electronic transactions by 10%, will effectively benefit from increased fares by doing nothing. This is unacceptable to passengers. There is also the potential for annual fare rises to be 'double-stacked', where LPG rises are taken into account in the proposed October review, while also being fed into the annual taxi cost index.

TTF argues that if the industry was structured in a way where taxi drivers were paid an appropriate amount of money for their work, they would probably be able to bear the cost of rising LPG costs until the annual fare determination. While recognising that changes to the structure of the industry are beyond the remit of IPART, TTF reiterates its support of measures to redistribute a greater proportion of taxi fare revenue to drivers.

### Premium Taxis

There are some potential issues with regards to IPART's proposal which TTF wishes to comment on.

### **1. Definition of premium service**

IPART proposes that the definition of what constitutes a premium taxi is left to the market. Effectively, this implies that any taxi can claim to be a premium service, and that a passenger may be required to pay a highly elevated booking fee even if a regular taxi shows up for their booking. In TTF's view, this situation will be unpalatable to the community. Given that IPART notes that Victoria and Queensland fail because they fail to take into account factors such as cleanliness, comfort, response times or driver standards, it would seem that there is no valid reason why standards for these issues should not be regulated in NSW.

### **2. Booking fee cap**

TTF is concerned at the lack of a booking fee cap. IPART notes that the basis for arriving at the \$11 booking fee for Queensland and Victoria is unclear. TTF does not consider this reason enough to completely deregulate the booking fee, and asserts that more work should be undertaken to determine an appropriate cap for NSW.

### **3. Availability of non-booked premium services**

TTF is concerned that premium services may become almost impossible to obtain as a direct 'flag down' service, or at taxi ranks, as they may consider it more profitable to wait for a booked service. This would particularly be the case in a market where unregulated booking fees may mean considerable difference between the regular booking fee and that for a premium service.

### **4. Does not consider wider market forces**

In the current taxi market, the strength of brand differentiation is strong enough for taxi and plate owners to benefit from operating premium taxis, despite not charging more for them. Because of this, there is an ever-increasing number of premium taxis on the road.

If the overall goal of the proposal is to compensate taxi owners for the cost of having a premium taxi, then this is admirable, but entirely unnecessary. The strength of brand differentiation appears strong enough for the purchase of premium vehicles to be warranted.

There is no regulation forcing taxi owners to purchase a premium taxi. Indeed, if the number of premium taxis on the road was dwindling, this proposal would make more sense, as it would be wise to offer an incentive for more premium taxis. As it is, premium taxis are growing through market forces alone. In this context, the rationale behind the proposal to charge more for premium taxis has less relevance.

TTF supports measures that encourage greater choice for customers. The current system offers some choice, but the certainty behind booking a premium taxi is not there. The system proposed by IPART, however, does not seem to address this issue – in effect, it proposes charging customers an uncertain amount more for a service which may (or may not) be premium, and unnecessarily compensating for something which does not require it.

However, TTF does consider that there may be merit in offering customers greater certainty, and better quality, in booking premium taxis. We therefore support a trial of changes to the way premium taxis are booked, but have reservations about the proposed trial as described by IPART.

### **Removal of the Northbound Toll on Harbour Crossings**

TTF supports this recommendation. TTF suggests that IPART recommend the Government undertake an awareness campaign to ensure that passengers (and indeed drivers) are made aware of this new ruling, to avoid passengers accidentally continuing to pay the fee.

### **Extending the Nighttime Booking Surcharge.**

TTF supports IPART's recommendation that the night time surcharge not be extended.

### **National Review from the ACCC**

The prime recommendation which came from TTF's report *Taxi Standards in Australian Cities* was that a Federal Government body, such as Productivity Commission or the ACCC, should conduct a full, sweeping review of the taxi industry in Australia.

In IPART's draft recommendations, the tribunal made some comment with regards to Cabcharge and the exertion of monopolistic powers, particularly with regard to electronic transactions. TTF entirely supports IPART's comments on this issue, and agrees that further work is necessary. TTF concurs that the ACCC may be well placed to review the industry's "structure, its viability and the impact of regulations imposed".

TTF appreciates that many of the issues facing the taxi industry are national in their scope, and understands they are beyond IPART's remit. TTF has written to the Federal Assistant Treasurer, who has responsibility for the ACCC, highlighting these issues.

## Conclusion

TTF considers that the level of service delivered by the taxi industry is poor, and there continue to be problems with competition. TTF's Member survey found that Sydney is considered to have the worst taxi services in Australia, and yet taxi fares are commonly the most expensive.

**TTF does not support IPART's proposed fare rise for 2008.**

TTF also makes the following remarks:

- There is a need to ensure that drivers do not have to fully carry the burden of increases in LPG costs, but that this should be done with methods other than fare rises, such as through structural reform (which is beyond the remit of IPART);
- The proposal to increase fares alongside LPG prices will increase revenue for some groups upon whom fuel prices have no direct impact;
- There is merit in a proposal ensuring that customers have certainty when booking a premium service;
- The proposal for premium taxis put forward by IPART does not appear to deliver this, and the rationale behind the proposal is unclear;
- The proposals by IPART to discontinue charging tolls on Northbound harbour crossings, and to not extend the night time surcharge, are supported; and,
- The suggestion by IPART that the ACCC may be well placed to conduct a broad national review of the taxi industry is welcomed.

TTF thanks IPART for the opportunity to make further comments on the 2008 taxi fare determination process.



## APPENDIX 1 (a) – TTF Member Survey Analysis

### Introduction to Survey

TTF's Membership base is well placed to assess the service standards in Australia's taxi industry. Generally speaking, TTF Members are frequent travellers who rely heavily on taxi services and are therefore able to compare service standards across Australian cities. With many of TTF's Members coming from the transport sector, this survey also represents something of a 'peer review' of taxi services from within the industry.

Tourism-related Members also have a keen interest in the taxi industry, as tourists are particularly reliant on taxis as a mode of transport when they are traveling. It is often said that a visitor's first impression at a new destination is through the window of a taxi. The Productivity Commission's 1999 research paper into regulation of the taxi industry stated that airports are the most significant taxi ranks in Australia cities, with taxi travel to and from Sydney Airport accounting for 25 per cent of taxi trips in that city.<sup>1</sup> The relationship between the tourism and taxi industries is symbiotic: the taxi industry needs access to a healthy tourism market, while the tourism industry needs access to efficient and high-quality taxi services.

The TTF Taxi CEO Survey was circulated to all TTF Members. The survey consisted of mainly check box style questions with several open-ended options with which respondents could provide examples, suggestions and other feedback.

The survey was sent to 220 TTF Australia Members in February 2008. Responses from 78 CEOs were collected, representing a 35.5% response rate.

### Results

According to TTF's CEO Members:

- Sydney has Australia's worst taxi services;
- Melbourne is considered Australia's best city for catching a taxi;
- The most difficult times for catching taxis are Weekday afternoons, Friday evenings and at major events;
- Taxi driver training needs to be improved to lift customer service standards and better service the tourism industry;
- 82% of respondents believe that the 10% surcharge levied on electronic payments in taxis is unreasonable;
- Industry reforms should be explored to improve taxi availability and reliability; and
- Only 5% of respondents are satisfied with the performance of the taxi industry.

When asked what their least favourite city in Australia for catching a taxi was (based on reliability, customer service, accessibility, driver knowledge and availability), 49% of respondents identified Sydney. Only 9% nominated Sydney as their favourite city for catching a taxi.

## Analysis

The results of the TTF Member survey, as presented in the report *Taxi Standards in Australian Cities*, highlights an industry which is failing to provide adequate public transport services to the general public.

Of importance to IPART, the standard of Sydney's taxis was ranked the worst in the country. This gains even more relevance when IPART notes that "the level of fares in NSW is generally above that in other states" (IPART, 2008:73). There is nothing to suggest that residents of, and visitors to, Sydney should be forced to pay the highest price for the lowest quality of service – yet this is effectively what occurs.

TTF fully recognises that it is unusual for IPART to be presented with primary research, and understands that legislation may prevent it from directly using the findings of this research to assist in fare determinations. However, IPART has a role to protect the general citizens of NSW from price increases on taxi services which would be inappropriate or unacceptable. TTF considers there is a growing level of concern with the service provided by the industry and that a fare rise at this time will not be readily accepted in the community without a complementary increase in service standards. At this stage, there is no indication that service standards are improving.

## APPENDIX 1 (b) – Taxi Standards in Australian Cities Report

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## Executive Summary

The standard of taxi services are essential to Australia's tourism industry, and have a significant impact on the overall visitor experience. CEOs in the tourism and transport sectors believe that Australia's taxi industry is not performing as it should, and needs to be reformed.

According to TTF's CEO Members:

- **Sydney has Australia's worst taxi services;**
- **Melbourne is considered Australia's best city for catching a taxi;**
- **The most difficult times for catching taxis are Weekday afternoons, Friday evenings and at major events;**
- **Taxi driver training needs to be improved to lift customer service standards and better service the tourism industry;**
- **The 10% surcharge on electronic payments in taxis is unreasonable; and**
- **Industry reforms should be explored to improve taxi availability and reliability.**

Some states, most notably Victoria and Western Australia, are already undertaking reforms to improve the standard of taxi services. A **national industry review**, however, offers the best chance for genuine and meaningful reform to deliver better services to taxi customers.

## Introduction

TTF Australia is a national Member-funded organisation representing the top 200 owners, operators and investors in Australia's tourism, transport, infrastructure and education sectors. It was formed in 1989 to help rebuild the industry following the pilots' dispute which saw the collapse of the Australian tourism industry.

TTF's Membership comprises the most significant players in the tourism and transport industries including all major domestic and international airlines, major airports, major hotels, attractions and major event venues, investment banks, other tourism and hospitality operators, transport operators and service providers to these sectors.

TTF regularly consults its Members on issues to inform its advocacy work. For example, Member feedback has assisted TTF to effectively lobby for changes to the Working Holiday Maker scheme. In the same light, TTF recently conducted a survey of its CEO Members to seek advice on a new policy agenda relating to taxi service issues in Australia.

TTF's Membership base is well placed to assess the service standards in Australia's taxi industry. Generally speaking, TTF Members are frequent travellers who rely heavily on taxi services and are therefore able to compare service standards across Australian cities. With many of TTF's Members coming from the transport sector, this survey also represents something of a 'peer review' of taxi services from within the industry.

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The TTF Taxi CEO Survey was circulated to all TTF Members. The survey consisted of mainly check box style questions with several open-ended options with which respondents could provide examples, suggestions and other feedback.

As with all our Member surveys, replies are treated as confidential and no individual Member's name has been identified. Where respondents may be identifiable, the results have been aggregated for confidentiality.

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<sup>1</sup> Productivity Commission, *Regulation of the Taxi Industry*, Commonwealth of Australia 1999, p 5.

## CEO Survey Methodology

A web based survey method has been utilised for this research. Members were contacted via email and asked to click through to the online survey.

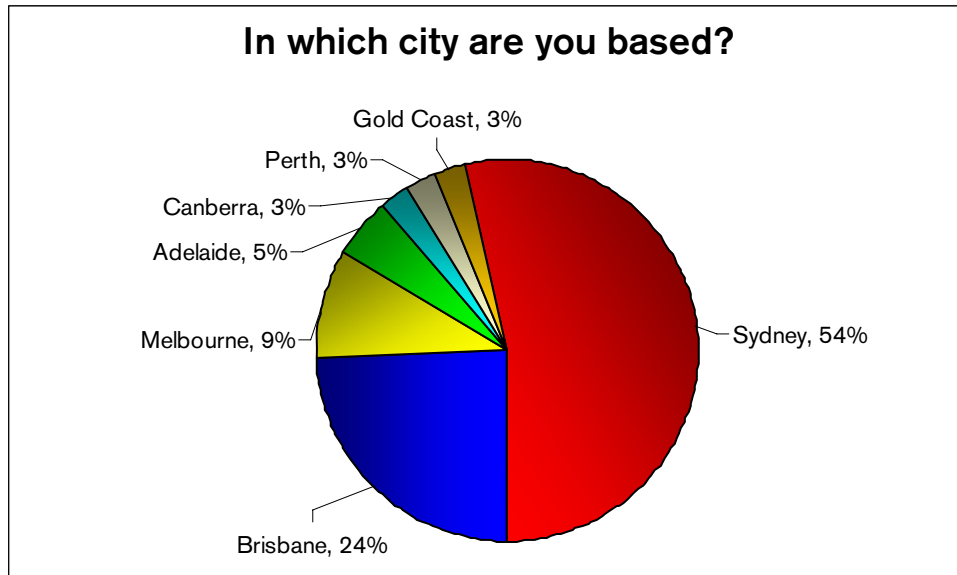
The CEO Survey consisted mainly of quantitative questions with four areas where respondents could provide qualitative responses. Please see **Appendix A** for a full copy of the online survey.

The survey was sent to 220 TTF Australia Members. Responses from 78 CEOs were collected, representing a 35.5% response rate.

## CEO Survey Results

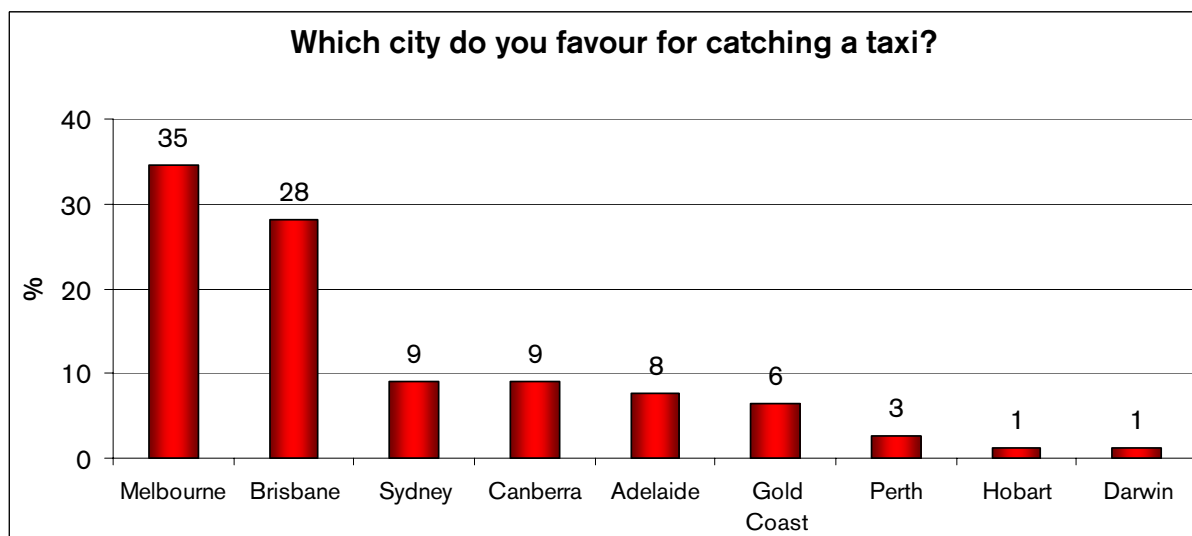
### In which city are you based?

- The majority (54%) of respondents were based in Sydney, followed by Brisbane (24%) and Melbourne (9%).



### Considering factors including reliability, availability, customer service, driver knowledge and accessibility, which is the city that you favour MOST for catching a taxi?

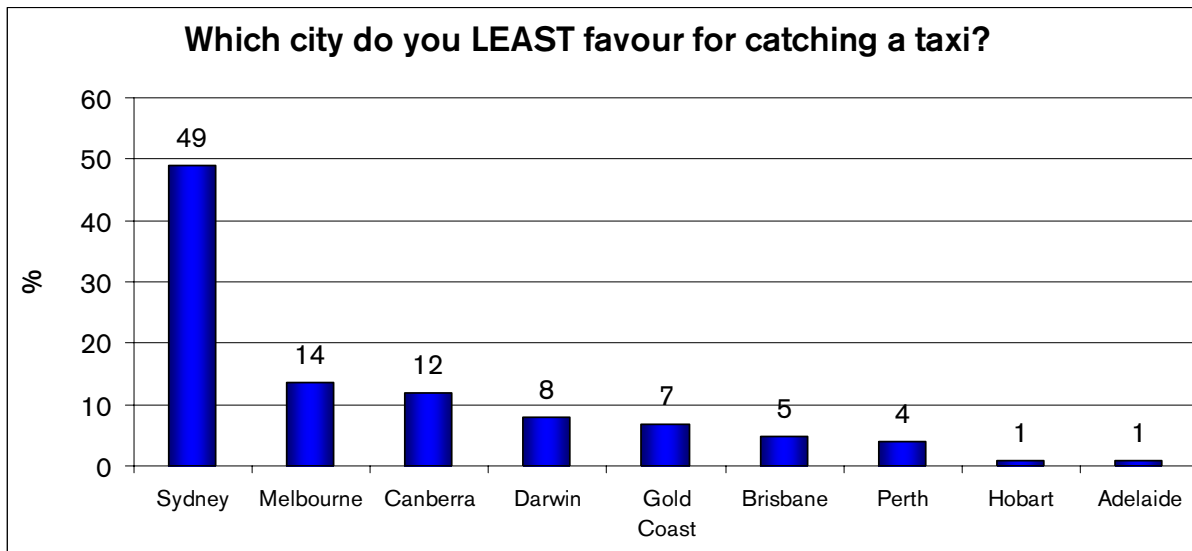
- 35% of respondents favoured Melbourne for catching taxis.
- 28% of respondents ranked Brisbane their favoured city for catching a taxi.





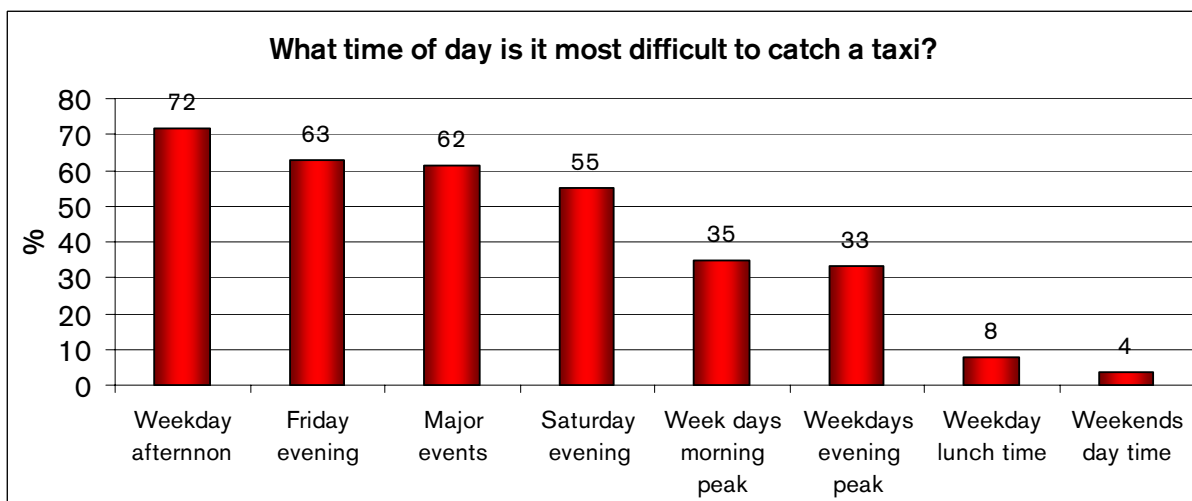
Considering factors including reliability, availability, customer service, driver knowledge and accessibility, please tell us which is your LEAST favourite city in Australia for catching a taxi?

- The majority, 49% of respondents, said Sydney was their least favourite city for catching a taxi.
- Although Melbourne was rated as the city most favoured for catching a taxi, 14% of respondents listed Melbourne as their least favourite.

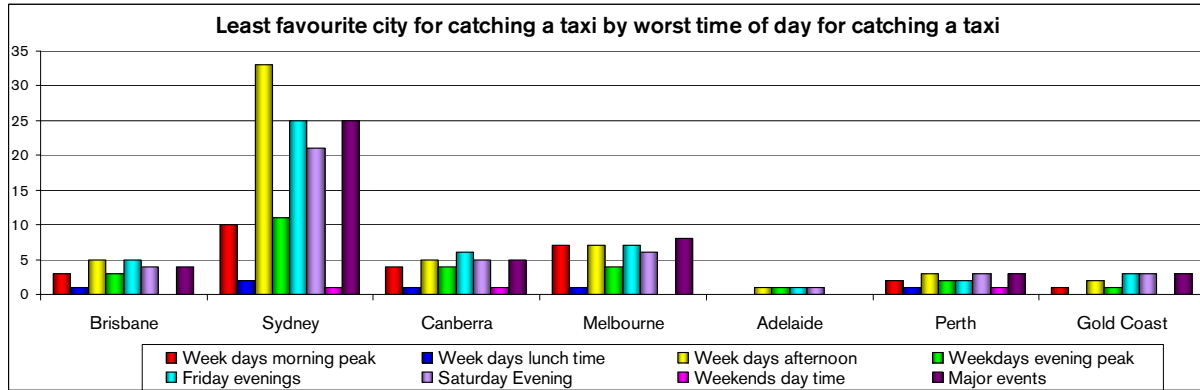


Do you have difficulty getting taxis at particular times of the day?

- 72% of respondents found it difficult to catch a taxi on weekday afternoons during the taxi changeover period.
- Friday evenings (63% of respondents), major events (62% of respondents) and Saturday evenings (55% of respondents) were also very difficult times of the day for catching a taxi.

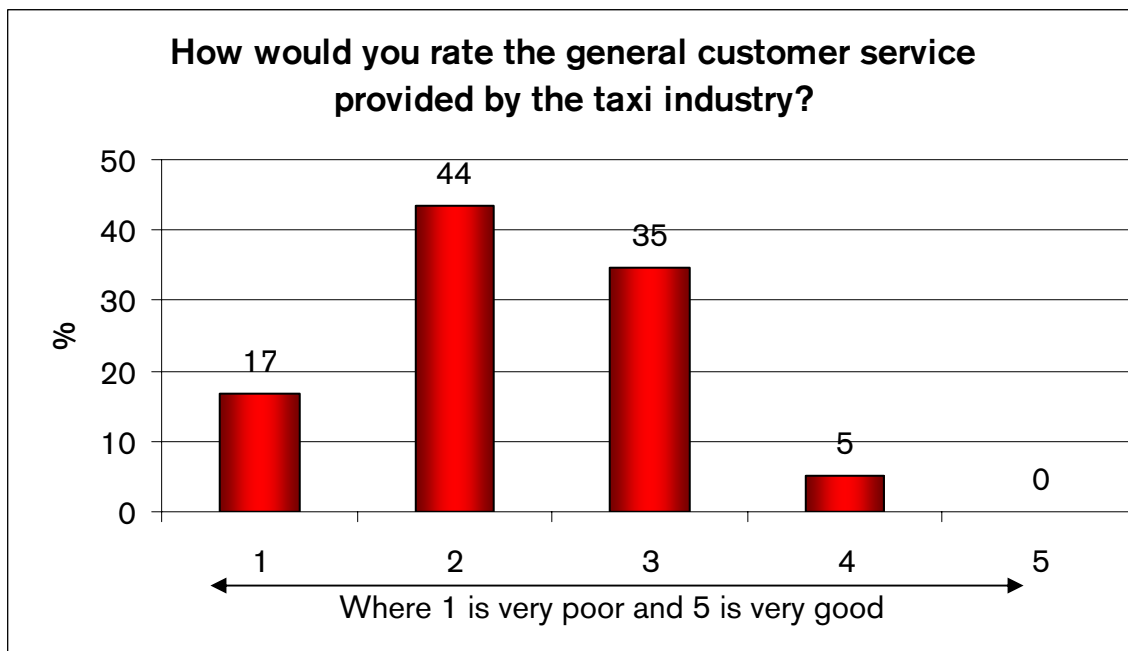


- When looking at respondents' least favourite cities for catching taxis by the worst time of day for catching a taxi, the results were spread across the board. However looking at **Sydney** in particular, the worst times of day were cited as:
  - Weekday afternoons
  - Friday evenings and
  - Major events.



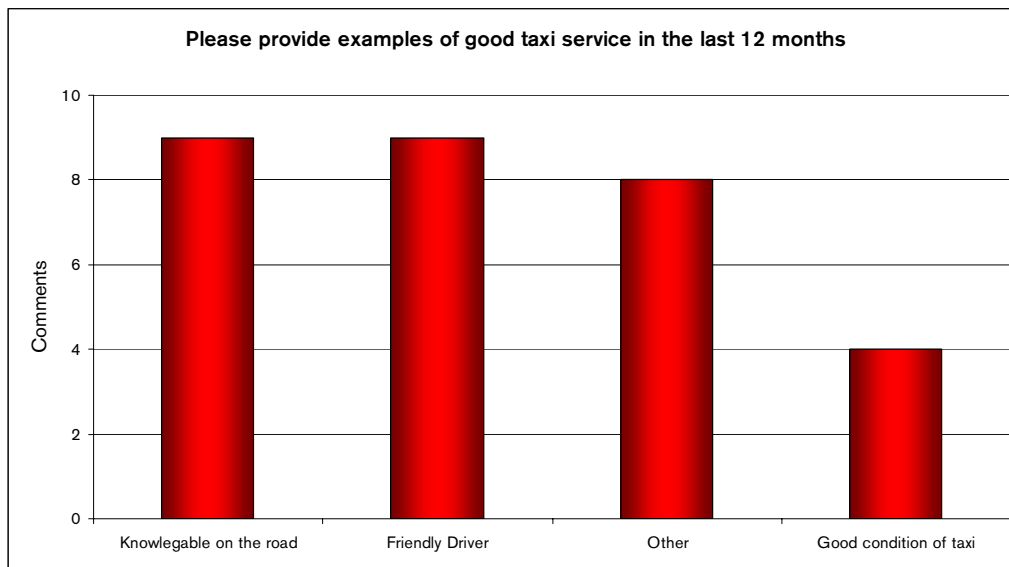
**How would you rate the general level of customer service provided by the taxi industry? (Where 1 = very poor and 5 = very good).**

- 61% of respondents thought the level of customer service provided by the taxi industry was poor (that is a rating of 1 or 2).
- There were no respondents who thought the customer service levels provided by the taxi industry were very good (that is a rating of 5).
- 35% of respondents felt neutral about the customer service levels provided by the taxi industry.
- A minority of 5% rated customer service levels as good (a score of 4).



Please provide examples of *good* and/or *bad* taxi experiences in the past 12 months.

**GOOD**



Examples of the good comments made:

Knowledgeable on the road

- *"The Brisbane taxi drivers always seem to know where they are going"*
- *"Knowledgeable on location and preparedness to wait"*

Friendly driver

- *"Professional and engaging drivers"*
- *"Friendly driver... got out to assist with door as I had a lot of bags"*

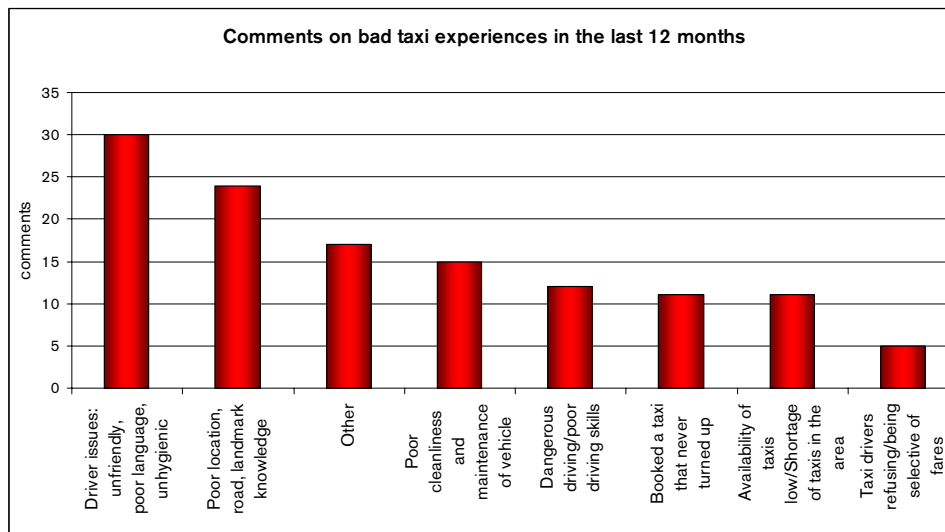
Good condition of taxi

- *"Brisbane taxis are in far better condition"*
- *"GC and Cairns taxis on the whole are very well groomed and clean"*

Other

- *"Silver service and premium taxis are generally better"*
- *"Consistent service from pre booked 'silver service' cabs"*

**BAD**



Examples of the bad comments made:

Driver issues:

- *"(driver) unable to understand me"*
- *"Unprofessional drivers with bad attitudes"*
- *"scruffy and unkempt...gruff and rude communication"*
- *"Driver swore at other drivers"*
- *"driver didn't know how to use the cab charge facility"*

Poor location, road and landmark knowledge

- *"driver did not know which direction to go"*
- *"many drivers do not know the city (Melbourne)"*
- *"Total lack of knowledge of the streets"*
- *"a driver had me reading from the street directory for him (after purchasing it at a servo while I waited in the car) and not accepting my criticism and suggestion to turn off the meter once he got lost"*
- *"longer than necessary route to destination taken by drivers"*

Other

- *"Ever tried getting a cab in Sydney after 1am? If not, my advice would be not to bother - find a hotel room for the night and catch one the next morning"*
- *"No customer service to expedite late taxis"*
- *"Hugely expensive"*
- *"Trying to book a cab and getting an engaged signal – for two different cab companies"*
- *"Ripping off tourists with airport-hotel fares"*

Poor cleanliness and maintenance of vehicle

- *"dirty un-maintained vehicles"*
- *"dirtiness of taxi"*
- *"the taxi was dirty with food left on the back seat"*
- *"poorly maintained vehicles"*

Dangerous driving/poor driving skills

- *“driving skills appalling”*
- *“could not drive in a smooth manner”*
- *“I’ve had many examples of shocking driving where tailgating and virtual road rage were issues”*
- *“I recently had a taxi driver drive on the right hand side of the road... had been in Australia for two weeks”*

Booked a taxi that never turned up

- *“call or book a taxi and it never shows up”*
- *“telephone reservations are almost a waste of time, wait time is excessive and many times the taxi doesn’t even show up”*
- *“book a taxi and it doesn’t show up – response from the taxi company is ‘bad luck’”*
- *“I ordered 2 maxi taxis and was given the confirmation numbers and had advised them of my mobile, but neither taxi arrived and when I called they told me they were busy. Hence why people order taxis then try and chance one on the street”*
- *“6 maxi Taxi’s booked for company pick up for xmas party - pre booked, pre confirmed. 3 from one company 3 from another. Only 1 maxi taxi showed up at all and that was 45 mins late! MAJOR delay and issues re: transport of staff to function”*

Availability of taxis

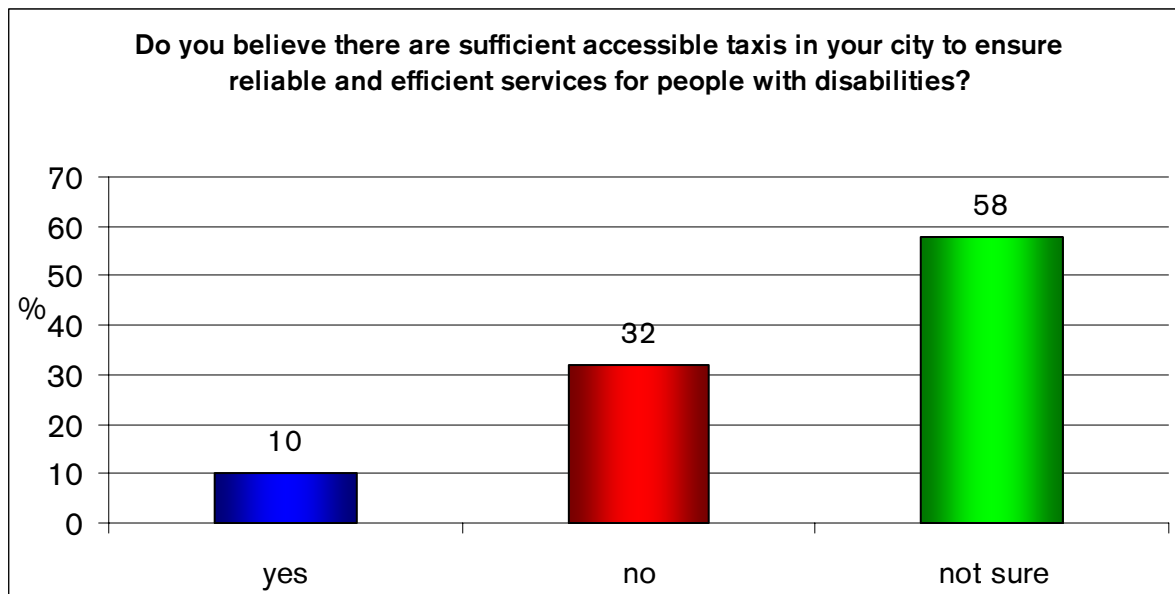
- *“(Canberra) taxis are never available”*
- *“Canberra airport – disgrace. No taxis are ever there”*
- *“not enough taxis in busy times”*

Taxi drivers selective of fares

- *“drivers refusing fares at changeover”*
- *“resist fares and be selective on destination”*
- *“refused to take me to my destination as he was searching for a longer fare”*

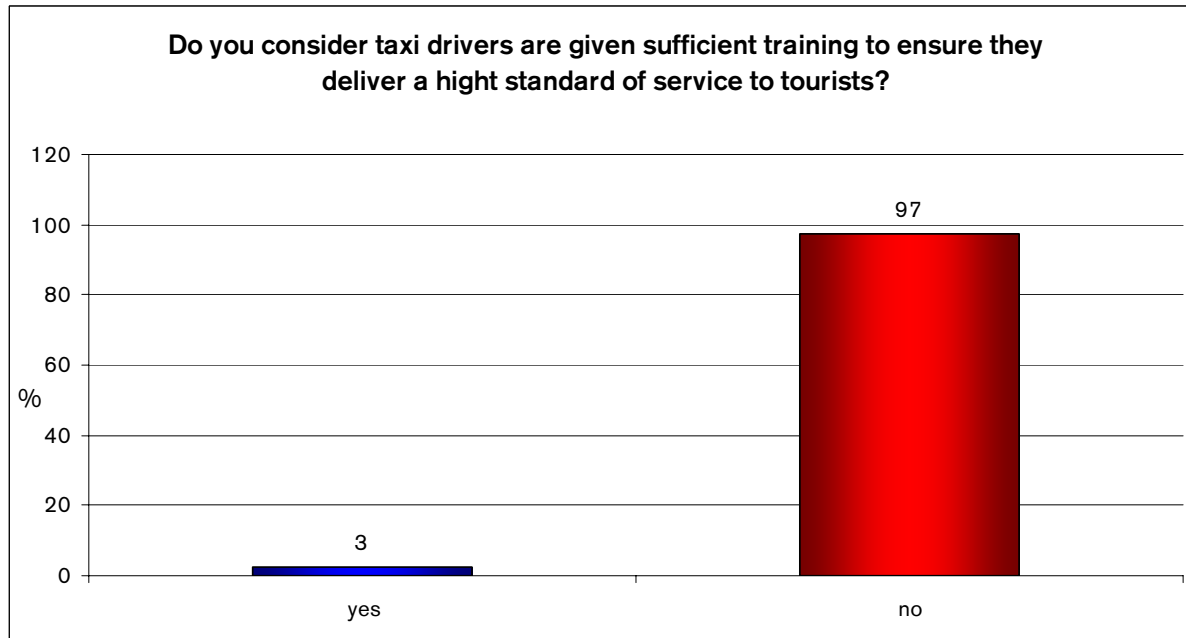
**Do you believe there are sufficient accessible taxis in your city to ensure reliable and efficient services for people with disabilities?**

- The majority (58%) of respondents are not sure if there are sufficient accessible taxis.
- 32% of respondents thought there weren’t enough accessible taxis in their city for people with disabilities.



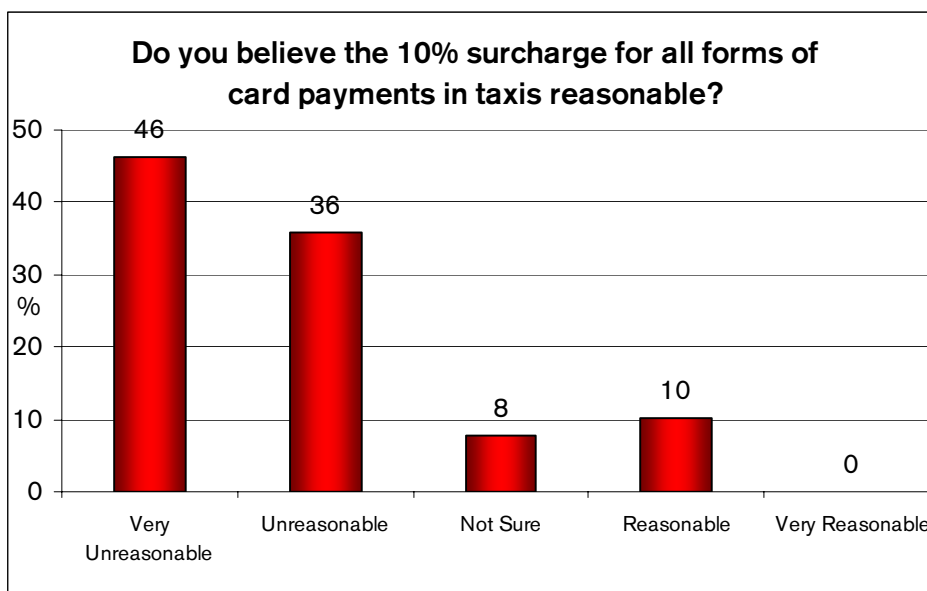
**Do you consider taxi drivers are given sufficient training to ensure they deliver a high standard of service to tourists?**

- Overwhelmingly, respondents thought that taxi driver training was not of a sufficient standard to service tourists (97%).
- This has negative implications for the tourism industry as a whole.



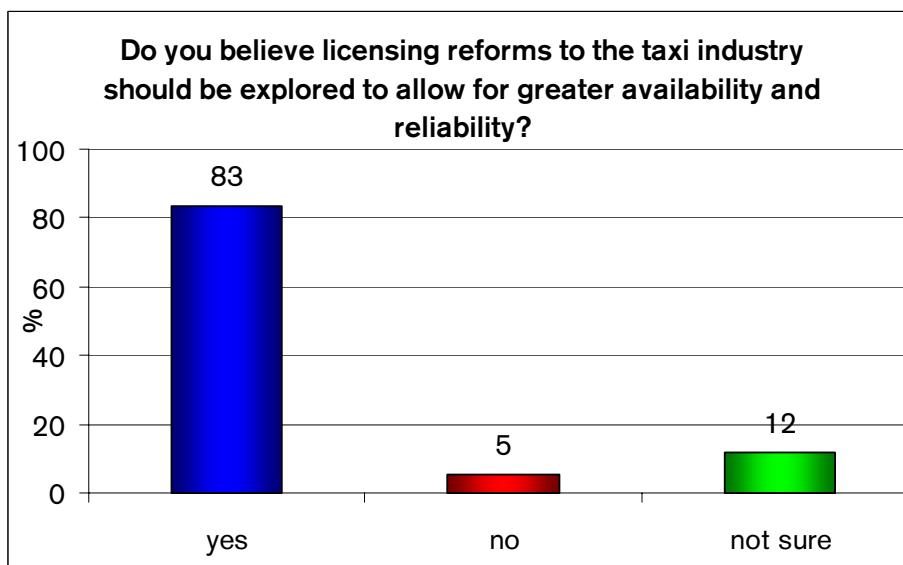
**Do you believe the 10% surcharge for all forms of card payments in taxis is reasonable?**

- 82% of respondents thought the 10% surcharge for all forms of card payments in taxis was unreasonable or very unreasonable.
- 8% of respondents were not sure and
- 10% of respondents thought the surcharge was reasonable and no respondents thought the surcharge was very reasonable.



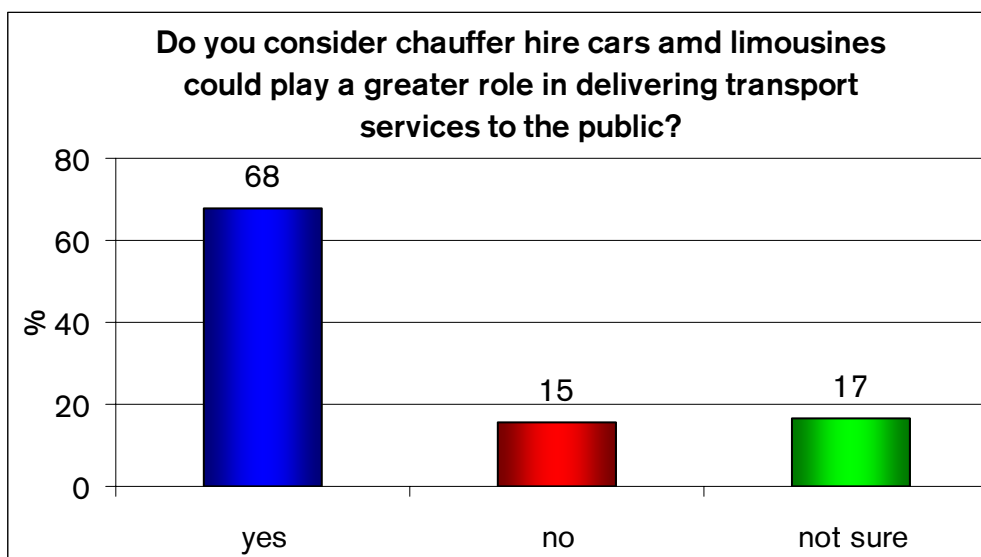
**Given the popularity of liquor licensing reform in Melbourne and Sydney, do you believe similar reforms to the taxi licensing regime should be explored (eg. private taxi networks - expansion of fleet etc) to allow for greater availability and reliability?**

- The overwhelming majority of respondents (83%) thought that taxi licensing reform should be explored to enhance availability and reliability.



### Do you consider chauffeur hire cars and limousines could play a greater role in delivering transport services to the public?

- 68% of respondents thought hire cars and limousines could play a greater role in delivering transport to the public.



#### If you answered yes, how?

##### Access at airports:

- "Free up access at airport"
- "Hire cars should be allowed to pick up unbooked passengers at airports."
- "Given better access to arrival areas of airports"
- "Greater access to & availability at airports"
- "Licensed to pick-up without prior booking at airports."
- "A lot if they had a high profile and access at airports."
- "Open access to pick people up from the airports"
- "More access at airport. Capacity to operate from hotels. They are better trained and more customer oriented than many of the taxi drivers"
- "Banning them from airport pickups is just a restrictive trade practice. Premium service at a higher price for people wishing to save time eg a separate queue at airports etc."
- "The airport run in Melbourne is improved dramatically by the existence of the limo service and the price is fixed."
- "Make entry level easier, ensure standards and do things like have a limo line and a taxi line at airports so you get an unbooked one at a premium over a cab"

##### Function during peak times:

- "To supplement peak period of demand"
- "Peak times, particularly Friday nights"
- "Should be available during periods when demand exceeds supply - question is how to identify those periods"
- "Be more accessible during down times."
- "During peak periods at least."



- *“The more movement options - the better.”*
- *“I don't think they would want to pick up during peak periods as they are generally very selective about who they pick up.”*
- *“Allowed to collect fares on spec when long queues in heavy demand periods cannot be met without long delays...perhaps needs to be specific times during the week to avoid confrontation.”*
- *“Being allowed to take overload at peak times”*

To introduce competition:

- *“In a deregulated market these can operate in a similar way to taxis”*
- *“To introduce meaningful competition into the industry and get away from the taxi ‘cartels’ and monopolistic behaviour.”*
- *“Provide more competition and choice for complacent taxi licence holders. Corporate deals.”*
- *“However, due consideration needs to be given to wishes of private facility operators. We should be able to choice which taxis/VHA companies to use based on their level of service in the same way we choose which food & beverage outlets operate.”*
- *“By breaking free of the current monopoly and accessing better communications and promotions channels for their services. This works reasonably well at Melbourne Airport.”*

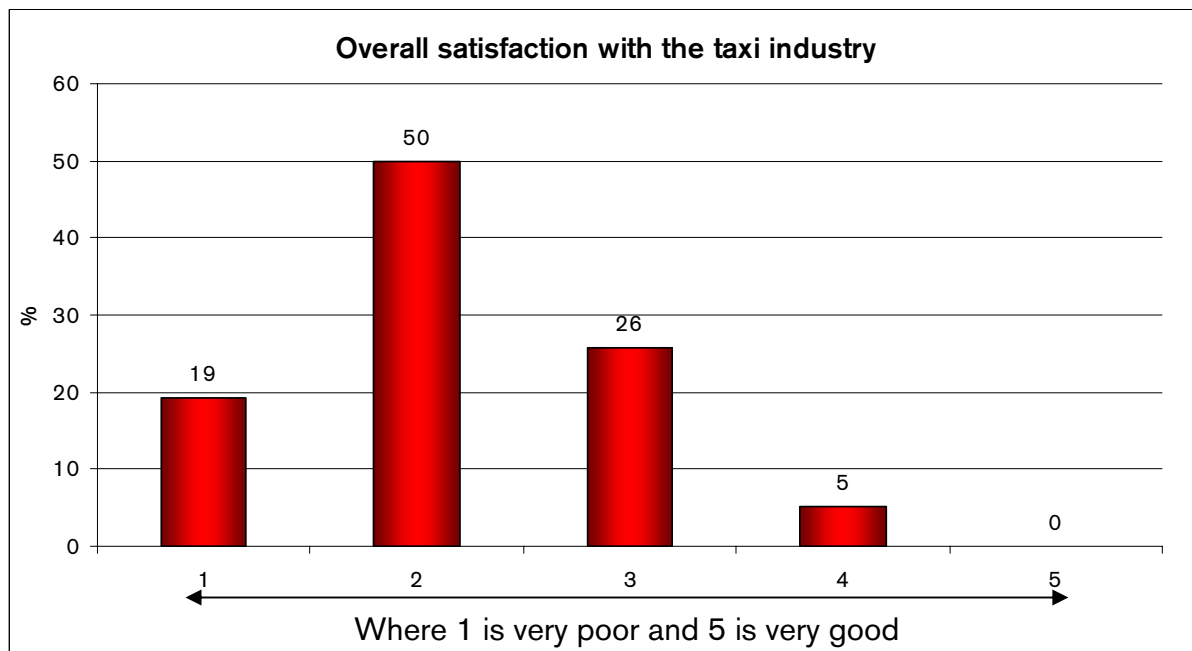
Other:

- *“Be available to work as taxis”*
- *“Their “sly” operations should be out in the open. I am happy to pay more for a better service.”*
- *“Greater access to pre booked limo's at a reasonable prices.”*
- *“More regulations with regards to getting a taxi license, often un-skilled, unfamiliar with destinations. Limousine services inflexible.”*
- *“They are generally better presented than the cabs and are more professional with service.”*
- *“Follow Melbourne's example where hire cars work along side taxis in providing similar service at similar rates”*
- *“By being allowed to pick up from hotels or cab ranks when they are empty - like they do on the Gold Coast.”*
- *“This would apply in the case of booking taxis for groups. If the taxi companies know that it is a particularly busy time (and someone has gone to the trouble of booking a taxi in advance), perhaps they could suggest booking a chauffeured vehicle (and could provide a list of preferred/approved suppliers), rather than have a group of people waiting for a booked cab that never shows up.”*
- *“Provide a comparative billing system which ensures parity with existing taxi service.”*
- *“Forward bookings. More ‘you drink we drive’ options. Special events and group bookings for celebrations. Driver for the night [groups].”*
- *“Having a mini cab system - similar to London would be a great idea.”*
- *“I now use silver service taxis and think there is a market for expansion in ‘premium’ user pay services.”*
- *“Does not change the fact we need more taxis.”*
- *“More reliable. Drivers are more polite and service oriented.”*
- *“I would pay a higher flag fall for a limo or hire car.”*
- *“Well, more cars on the road”*
- *“Make them better known, with a schedule of fares. They work well in Melbourne to get from airport to hotel and back.”*

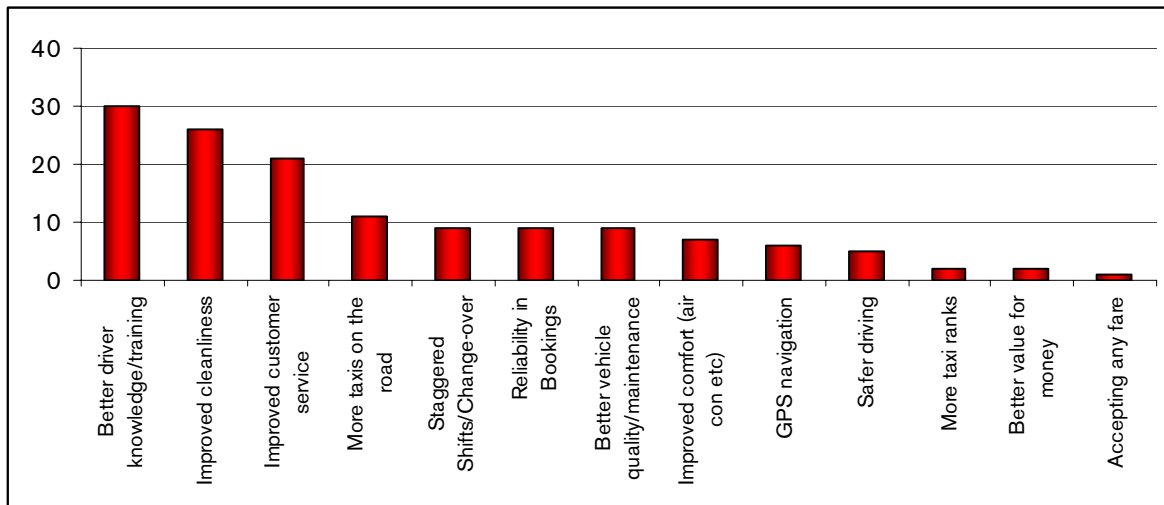
- *“If they were allowed to queue in taxi ranks at major events to pick up - I understand they are not permitted to do this at present.”*
- *“In Brisbane in particular, there appears to be a strong preference given to taxis over hire cars with respect to accessibility. At the international airport passengers are required to walk considerable uncovered distances, whereas taxis are out the front of the terminal.”*
- *“Be able to tout for hire.”*

**Considering such issues as knowledge, driving skills, customer services, language skills, safety, vehicle cleanliness, booking reliability, availability and other issues, how would you rate your overall satisfaction with the taxi industry? (where 1 = very poor and 5 = very good)?**

- The majority (69%) of respondents were dissatisfied with the taxi industry, rating their satisfaction 1 or 2.
- 5% of respondents were satisfied with the taxi industry, giving a satisfaction rating of 4.
- The average response for satisfaction was 2.17 and the median score was 2. Both on the poor side of the scale.
- 26% of the sample was neutral on the satisfaction scale.
- No respondents were ‘very satisfied’.



Considering such issues as knowledge, driving skills, customer services, language skills, safety, vehicle cleanliness, booking reliability, availability and other issues, Please comment on improvements you would like to see.



#### Better driver knowledge/training

- *“better training on geography, locations etc”*
- *“‘basic’ geographic knowledge”*
- *“drivers who know which way to go”*
- *“drivers who know the city”*
- *“better training”*
- *“more training for new drivers – knowledge of major landmarks, hotels etc is absolutely essential!”*
- *“I would like a knowledge test introduced (similar to London’s). I would like service standards introduced and a hotmail for service complaints and comments.”*

#### Improved cleanliness

- *“increased cleanliness”*
- *“would like to see cleaner cabs”*
- *“regular auditing of cab cleanliness”*
- *“improved driver hygiene and odour”*

#### Improved customer service

- *“improved customer service”*
- *“Drivers who are polite”*
- *“customer service training”*
- *“drivers who know at least some customer service skills”*

#### More taxis on the road

- *“Increased availability”*
- *“availability at peak times”*
- *“greater availability throughout December”*

#### Staggered shift/change-over

- *“staggered shift times”*
- *“a change to the universal change over time”*

- *“not having the whole industry change over at the same time”*
  - *“staggering the start finish times would also alleviate the issues between 2pm and 4pm each day”*
- “Improvements to the changeover debacle in Sydney”*

**Reliability in bookings**

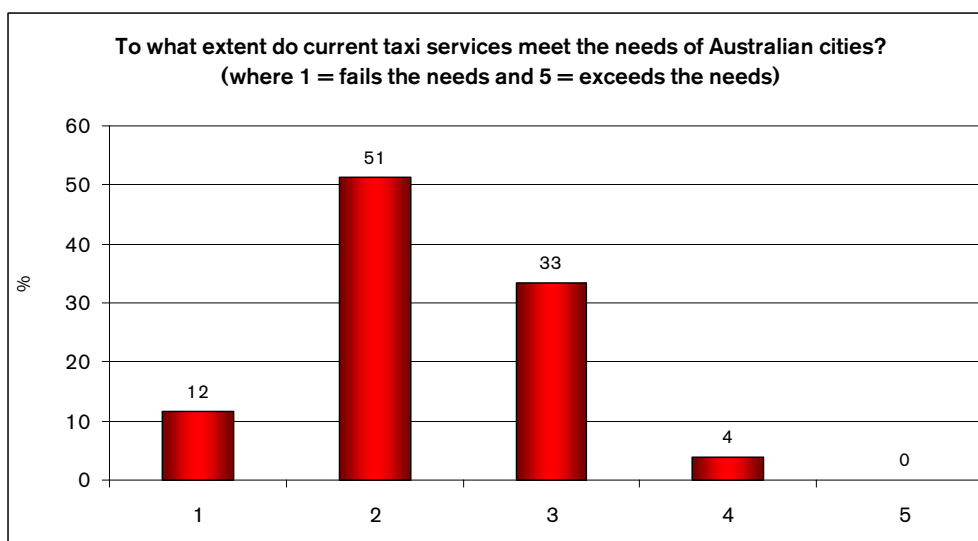
- *“I’d like for taxis to show up when I book them!”*
- *“more reliable reservation system”*
- *“I’ve booked taxis but they haven’t waited and in some cases never even shown up. If this is the case, you shouldn’t be able to book, do it properly or not at all.”*

**Multi faceted comments**

- *“Taxi drivers could be tourism ambassadors and are certainly part of the experience chain in visiting any city, particularly for overseas visitors”*
- *“Better knowledge, better communication skills, smart dress, try a smile and better driving skills for less white knuckle rides!”*
- *“as per New York and Melbourne etc, paint all cars one colour, wear clean shirts/uniforms for cab drivers, better testing of English skills, cleanliness checks on cars (with penalties)”*
- *“Vehicle quality, driver education, cleanliness, availability and ending the Xmas and peak joke where you can’t get a cab. Best story: interstate friends around mid Dec left the Four Seasons at 11pm, waited 90-100 min for a cab, decided it was too far to walk to Manly, there was no public transport at 12.45am so had to check into a hotel.”*

**An effective taxi service is critical to the functioning of Australian cities. To what extent do current taxi services meet the needs of Australian cities? (where 1 = fails the needs and 5 = exceeds the needs).**

- The majority of respondents (63%) thought that the current taxi services fail to meet the needs of Australian cities.
- 33% of respondents were neutral on this topic.
- 4% of respondents thought that current taxi services meet the needs of Australian cities (giving a rating of 4).



## Any further comments?

*“Victoria's concept of allowing night taxis (green roof) to operate after a certain hour is a good concept that ensures it is a great deal easier than most other cities to get a taxi late at night - even if most of the drivers have no idea where they are going and their taxi looks like it hasn't been cleaned in years.”*

*“I recall the major change and improvement to the standard of taxis in Victoria under the Kennett government. It worked and changed the reputation of the industry in Victoria. We could do worse if something similar was introduced in Sydney.”*

*“Take Melbourne's lead.”*

*“Corporate taxis in New Zealand is a great example of an excellent service. I always say to the drivers there, “I wish I could bring you and your car back with me.”*

*“In the city of Adelaide, in the main north-south street (King William Street) there are no ranks south of Victoria Square, most unsophisticated! Outer suburbs poorly serviced.”*

*“Sydney's taxi industry is a joke, and reflects poorly on the city. Despite the protestations of the owners, there are still too many cowboys and new immigrants in the industry. The plate system may be to blame for stopping competition, but what is needed is properly trained drivers, who will get a good return for their investment in training and vehicles, and effective regulation which prevents the poor practices prevalent in the industry. Copying London's cabs might be a good way to start.”*

*“Please sort the cab industry out ASAP as it is embarrassing particularly in Melbourne and Sydney. Cabs are usually the first experience that tourists get of Australia when they arrive from overseas.”*

*“The taxi experience is often the first and lasting impression visitors to our city take with them. It is vital that the taxi industry lift its game to truly appreciate the influence it has on our tourists and business travellers. This is key to improving the hospitality product experience.”*

*“More taxis and varieties of taxis/movement. It's a cartel at the moment everyone in the industry is protecting. After a month in Indochina - taxis were far more available, reliable equivalent in user experience and certainly the most cost effective way to travel. If taxis were available enough and affordable enough - we could be more sustainable as more people would not buy extra cars and more business not buy a fleet of cars - including me. It is a ridiculous state of affairs to almost have to beg for a taxi to come and charge me \$50+ to go to the airport - for essentially very unskilled work. PS - thanks for the survey opportunity.”*

*“Sydney is no better than Brisbane but I live in Brisbane so it is more frustrating for a city this size to have so few cabs.”*

*“Canberra also needs more taxis available as it is a challenge at any time to get a taxi.”*

*“We need more taxis – it's a disgrace.”*

*“If consumers had a real choice, the current taxi industry would not survive. I always book direct with a Silver Service cab owner, pay a fixed price, and usually only pay around \$5 extra for a clean cab with a pleasant driver who always turns up.”*

*“Please start to screen drivers so that those who are not fit to be servicing other citizens and the community generally are not given the opportunity to interact publicly with us. If this is not done, it will impact on people's willingness to use taxi services in Sydney, it will impact on tourism and many other industry areas from which we would like to see people flooding into Sydney.”*

*“Melbourne is by far the worst city in Australia for taxis, and Brisbane and Adelaide are the best. Sydney is fast going down the tube.”*

*“Any improvement you can achieve will be gratefully received by business people.”*

*“Limo access at Sydney Airport is a critical issue.”*

*“Taxis need to serve all areas of the city rather than golden miles or else it is not a service.”*

*“We welcome this survey and work which is badly needed.”*

*“A good survey initiative.”*

*“Thank you for taking a pro-active approach and doing this survey - much needed change in the taxi industry in Sydney.”*

## Recent Taxi Reforms

Several States have recently announced reforms to their taxi industries. These reforms can be seen as examples of useful measures to improve the standard of taxi services around the country. TTF commends states that are taking a proactive approach to taxi reform, and encourages a greater level of dialogue between the states to encourage the development of best practice models. Nevertheless, more work must be done to improve service standards across all jurisdictions.

### 1. Accreditation for Taxi Operators - Victoria

The Victorian Government has introduced an accreditation scheme to lift the performance of the State's taxi industry, commencing on 31 December 2007.

Under the new regulations, licence holders operators and booking networks are required to demonstrate they are complying with a broad range of minimum business and service standards.

The service standards put a clear onus on taxi cab operators to:

- Ensure that, at the start of every shift, their cabs are fit for service and their drivers for to drive;
- Ensure their cabs and drivers comply with the rights and responsibilities of customers, as set out in a detailed customer service charter;
- Ensure their cabs are clean;
- Ensure that their drivers are in uniform as well as neat and clean;
- Ensure that their cabs are available for hire 90 per cent of peak demand times;
- Conduct their dealings with the industry and customers fairly and honestly;
- Ensure that complaints are investigated and acted on promptly.

The service standards require network service providers to:

- Meet various standards to protect driver safety;
- Not discriminate in taking and offering bookings;
- Offer wheelchair bookings to wheelchair accessible taxis (WATs) as a priority and stop offering conventional taxi jobs to WATS when a WAT job has been outstanding for more than 5 minutes;
- Advise customers booking a cab of the likely approximate arrival time;
- Conduct all dealings with operators and drivers fairly and honestly;
- Provide fair and codified disciplinary procedures for operators and drivers;
- Implement a certified complaints management system and report complaints handling data to the Victorian Taxi Directorate.

The minimum business standards cover compliance with legislation, business capability, information and records management, financial viability, and education and training.

Under the business standards, operators and network service providers must:

- Comply with all relevant legislative requirements;
- Provide and maintain the necessary equipment, premises, systems, procedures and people to operate effectively in the taxi industry;
- Accurately collect and store data to enable inspection, audit and reporting as required by the regulations;
- Have the financial capacity to meet all costs and financial obligations;

- Ensure that drivers and staff are appropriately trained.

The minimum business standards for licence holders require them to:

- Ensure that a taxi cab is operated under each licence they hold;
- Conduct all dealings with their operators honestly and fairly;
- Ensure that the right to operate a taxi cab under each licence is exercised at all times;
- Complete a specified training course;
- Comply with all relevant legislative requirements.

## **2. Local knowledge test – Victoria**

The Victorian Government has announced that new drivers will be required to pass a Knowledge of Melbourne test. The test requires drivers to correctly identify 40 locations out of 45 – randomly selected from a list of 100 Melbourne landmarks including theatres, sporting venues, shopping centres and hospitals.

This test will be in addition to existing driver accreditation requirements.

## **3. Peak hour taxi licenses – Victoria**

Peak service taxis, identifiable by their distinctive green tops, operate between the hours of 3 pm and 7 am and during specified major events within the Metropolitan Taxi Zone.

The Victorian Government released 100 licenses in January 2008, bringing the total number of peak licenses to 500.

## **4. Leasing Government-owned plates – Western Australia**

The Western Australian Government introduced legislation in 2007 to increase competition in the taxi industry by expanding the availability of government-owned plates that are leased to individual operators.

The Taxi Industry Amendment Bill 2007 enabled:

- On-demand release of peak period license plates; and
- Raising the cap on the number of lease plates to 40 per cent of the full-time taxi fleet.

An additional 100 peak period plates were released in November 2007, while rules for Western Australia's peak period taxis were also changed. Peak period taxis are now allowed to operate between 5am and 9am on weekdays, in addition to standard hours of Friday and Saturday nights.

## **5. Encouraging new entrants to the industry – Western Australia**

In November 2007 the Western Australian Government launched an advertising campaign to encourage more people to enter the industry, and reduced the minimum age for taxi operators from 21 to 20. A lease-free period worth \$650 was introduced, along with a 50 per cent subsidy on training for new drivers, worth approximately \$300.



## The Way Forward – A National Approach

As part of its National Competition Policy Review process, the Productivity Commission issued a research paper titled *Regulation of the Taxi Industry* in 1999. The Productivity Commission was unconvinced of the arguments for maintaining a cap on the number of taxi licences, stating:

The Commission has been unable to identify benefits to the community that justify restrictions on taxi numbers. Accordingly, it considers that there is a strong case for the removal of such restrictions.<sup>2</sup>

Unfortunately, regulatory reform since then has been piecemeal and disjointed. Each jurisdiction has differing regulatory mechanisms in place – but as this survey has shown, all suffer from perceptions of inadequate levels of service. TTF argues that a major factor in the inability of the industry to meet public expectations has been the lack of competition in taxi markets. In particular, the dominance of one company, CabCharge, in running taxi operations around Australia and simultaneously having an effective monopoly over electronic payment systems, is unhealthy for the industry.

Further piecemeal reform will only lead to minor, incremental improvements. A national approach will be needed to drive fundamental reform and to introduce genuine competition into the industry. The Federal Government should commission a high-level report to identify national reforms to the taxi industry. The Productivity Commission, following on from its 1999 report, would be well placed to conduct a high-level review of the national taxi industry. TTF argues that a national reform agenda should seek to achieve the following goals:

- Expanding the supply of taxis, especially in peak hour;
- Improving service levels;
- Improving wages and conditions for drivers;
- Improving access to Wheelchair Accessible Taxis;
- Facilitating greater competition from the hire car sector (eg Limousines); and
- Breaking the monopoly on electronic transactions.

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<sup>2</sup> Productivity Commission, *Regulation of the Taxi Industry*, Commonwealth of Australia 1999, p ix.

## APPENDIX 1



# TTF Survey on Taxi Services

TTF Australia has utilised short internet or email-based surveys in the past to assist in developing policy statements, our advocacy agenda and / or to incorporate into government submissions.

TTF is polling all our key TTF Members on taxi matters so that we may evaluate if there are issues that TTF should become more involved with on behalf of our Members

Below are a list of mainly check-box questions which will take only a few minutes to complete. Your prompt reply will be treated as confidential and will be used as initial findings to evaluate the state of the taxi industry around Australia.

TTF Australia appreciates your time in completing this questionnaire. The results will be available on our website, [www.ttf.org.au](http://www.ttf.org.au) in due course.

If you have any questions regarding this survey please contact Larry McGrath, Manager Transport at TTF via [lmcgrath@ttf.org.au](mailto:lmcgrath@ttf.org.au)

1. In which city are you based?\*

- Brisbane
- Sydney
- Canberra
- Melbourne
- Hobart
- Adelaide
- Perth
- Darwin
- Gold Coast

2. Do you, in the course of work or for leisure, use taxis in your home city and/or other capital cities around Australia?\*

- Yes  No

If no, please go to question 14.

3. Considering factors including reliability, availability, customer service, driver knowledge and accessibility, which is the city that you favour MOST for catching a taxi?\*

- Brisbane
- Sydney
- Canberra
- Melbourne
- Hobart
- Adelaide
- Perth
- Darwin
- Gold Coast

4. Considering factors including reliability, availability, customer service, driver knowledge and accessibility, please tell us which is your LEAST favourite city in Australia for catching a taxi.\*

- Brisbane
- Sydney
- Canberra
- Melbourne
- Hobart
- Adelaide
- Perth
- Darwin
- Gold Coast

5. Do you have difficulty getting taxis at particular times of the day?\*

- Yes  No

If you answered yes, please indicate below, ticking as many boxes as necessary.

- Weekdays - morning peak
- Weekdays - lunchtime
- Weekdays - afternoon (including taxi change over period)
- Weekdays - evening peak
- Friday evenings
- Saturday evenings
- Weekends - day time
- Major events

6. How would you rate the general level of customer service provided by the taxi industry? (Where 1 = very poor and 5 = very good).\*

1  2  3  4  5

7. Please provide examples of good and/or bad taxi experiences in the past 12 months.

8. Do you believe there are sufficient accessible taxis in your city to ensure reliable and efficient services for people with disabilities? \*

Yes  No  Not sure

9. Do you consider taxi drivers are given sufficient training to ensure they deliver a high standard of service to tourists?\*

Yes  No

10. Do you believe the 10% surcharge for all forms of card payments in taxis is reasonable? \*

Very unreasonable  
 Unreasonable  
 Not sure  
 Reasonable  
 Very reasonable

11. Given the popularity of liquor licensing reform in Melbourne and Sydney, do you believe similar reforms to the taxi licensing regime should be explored (eg. private taxi networks - expansion of fleet etc) to allow for greater availability and reliability?\*

Yes  No  Not sure

12. Do you consider chauffeur hire cars and limousines could play a greater role in delivering transport services to the public?\*

Yes  No  Not sure

If yes, how?

13. Considering such issues as knowledge, driving skills, customer services, language skills, safety, vehicle cleanliness, booking reliability, availability and other issues, how would you rate your overall satisfaction with the taxi industry? (where 1 = very poor and 5 = very good)\*

1  2  3  4  5

Please comment on improvements you would like to see.

14. An effective taxi service is critical to the functioning of Australian cities. To what extent do current taxi services meet the needs of Australian cities? (where 1 = fails the needs and 5 = exceeds the needs)\*

1  2  3  4  5

15. To what industry sector do you belong?\*

16. Any further comments?

\* Indicates field is required.

Submit



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