

**NSW  
TAXI DRIVERS  
ASSOCIATION  
Incorporated's  
SUBMISSION  
to  
IPART  
April 2010**

# New South Wales Taxi Drivers Association Inc

FOR: BAILEE DRIVERS, OWNER DRIVERS, AND LESSEE DRIVERS, Inclusive

**Inc. no.9882558    ABN 98 653 928 763    PO Box 322, Alexandria NSW 2015**

*A Fair Share of a Fair Fare*

President : Anne Turner

Mob: 0431 585 944

## Executive Summary

<b>Factor</b>	<b>Value</b>	
	<b>Old 09</b>	<b>New 2010</b>
Flag Fall (urban)	\$3.20	\$4.00
Distance Rate Per Km (day)	\$1.93	\$2.10
Waiting Time	\$50.00 p/h	\$60.00 p/h
Booking Fee	\$2.10	\$4.00
Baby Capsule	Free	\$5.00
Maxi rate starts (passengers)	6	5
TTSS rate & Cap	50% and \$30	75% and \$60
Wheelchair hirings' day rate	Tariff 1	Tariff 2
Sundays & Public Holidays Country Taxis	Tariff 2	No change
Sundays & Public Holidays City Taxis	Tariff 1	Tariff 2
Incentive on all M40 (non WAT) dockets	Nil	\$5.00
Lift Fee on WATs	\$8.47	\$10.00

For and on behalf of the NSW Taxi Drivers Association Inc.

Anne Turner  
President

Ray Prasad, Lessee Representative  
Trevor Bradley, Treasurer  
Ernie Mollenhauer, Delegate [erniethecabbie@hotmail.com](mailto:erniethecabbie@hotmail.com)

The NSW Taxi Drivers Association Inc (NSW TDA) commends IPART on its commitment to getting the difficult task of recommending taxi fares right. The task is complex and involved and we acknowledge the industriousness of IPART's staff in researching, analysing and interpreting data and comments from many sources. Further we acknowledge that critics may never be satisfied as IPART treads a fine line between competing objectives.

IPART has excelled in the past in resisting various claims for fare increases and almost always found reason to trim those claims in its efforts to do the best by the people of NSW, pricewise. Many people look to IPART for protection from price gouging and IPART provides a stalwart defence. IPART's pursuit of that objective is laudable however its stridency in that direction has been at the cost of IPART's other significant objective which is to ensure that people who want a taxi can find drivers willing to work under the prevailing conditions to furnish the desired services<sup>1</sup>.

Whilst guarding the people of NSW against price gouging IS important when that comes at the cost of not getting a taxi at all then the pendulum of price resistance has swung too far. The NSW TDA is acutely aware of the difficulty that taxi drivers and operators face as they struggle to remain in the taxi industry. Unless IPART and the Department of Transport and Infrastructure urgently adopts measures to stem the exodus of willing workers out of the taxi industry there will be no-one left to provide the service that so many people need. As we speak many Sydney taxis lie idle<sup>2</sup> with no drivers willing to ply for hire in them. Any further downward pressure on taxi fare pricing will not benefit the public at all. The inadequate, proposed, 3.5% fare increase will only see more and more taxis left abandoned in the yards. There exists many compulsions applicable to drivers IN the taxi industry but there remains NO compulsion to remain in the industry. Only incentives will achieve what the travelling public needs, a good supply of willing, competent, experienced taxi drivers.

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<sup>1</sup> Item Xiii "the social impact of those recommendations" IPART's Terms of Reference. 8/9/2009

<sup>2</sup> Refer KPIs 13.1 and 13.2 showing 1570-1752 cabs NOT signed on at 9pm and 9am on average resp. Source IPART 2009 p55 (5174 cabs) vs p64 cabs signed on (3442.3 at 9a.m. and 3604.2 at 9 pm)

## About the NSW Taxi Drivers Association Incorporated

The NSW TDA Inc was formed in 2004 by taxi drivers for taxi drivers. It enjoys a strong membership comprising bailee drivers, lessee drivers and plate owning drivers. It has no paid employees. It draws its revenue from membership subscriptions and advertising in its newsletter. The newsletter has a typical print run of 4000 copies which are posted directly to subscribers and distributed by hand to taxi drivers throughout NSW. Its management committee has 12 positions structured to include plate owners, lessees, bailees and WAT drivers.

Below are the responses from the NSW TDA Inc to the 2010 Discussion Paper's headings "What Submissions Should Address". Despite those welcome headings we feel that there are many other issues that IPART ought to assess in making its recommendations to government about taxi fares. We therefore have included additional information which we believe to be directly relevant to taxi fare pricing.

*1 Are the indicative increases in fares reasonable given the cost increases faced by the industry?*

The inadequate, indicative, (3.5%) fare increase will lead to increased refusals by taxi drivers to supply the services that the travelling public is hoping to buy. The current taxi fare structure is so oppressive that willing workers can attain higher rewards by abandoning the taxi industry and engaging in just about any alternate occupation. In their efforts to recruit taxi drivers the taxi operators have slashed the bailment (payin) rates to a level below the true cost of running a taxi. They have slashed payins just to keep their cars on the roads but are running at a loss. Many taxi operators have casualised their workforce in a desperate bid to avoid their liability to pay permanent drivers' entitlements.

Even the reduced payins on offer from sinking taxi operators are not enough to induce capable workers to remain in the industry. In his advice to the Parliamentary Select Committee into the taxi industry Mr Les Weilinga, Director General of Transport and Infrastructure confirmed e.g. that (WAT) taxi leases are being relinquished by operators going into receivership<sup>3</sup>.

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<sup>3</sup> Answers to Questions on Notice by T & I, provided 26/2/10, item 5, Mr Dunn assisting Mr Weilinga as asked By the chair 2/2/10

<http://www.parliament.nsw.gov.au/Prod/parlment/committee.nsf/0/EA4E5B85CBE5CF0CCA25766B00114E9A>

Although IPART has proved itself amply capable of and has been diligent in its efforts at collecting cost data it has failed to recognise that willing workers are much better off doing just about anything else than driving a cab. The market rate for an able bodied, reliable, driver is far in excess of the figures being debated by IPART about notional earnings. Compare IPART's statement "The TCI includes a notional hourly wage rate of \$17.54 (2008) for taxi drivers-this is well above the current Australian minimum wage"<sup>4</sup> with the following photograph suggesting a comparable hourly wage might be \$26.17 per hour. We question whether any relativity exists between minimum wage rates and the work that those rates would buy versus the unusual hours and trying conditions of taxi driving.



2 Is CPI-Sydney an appropriate inflator for the network fee cost component in the Taxi Cost Index? Why or why not?

Considering that actual network charges are accessible and vary only little between networks (collusion?) we see no reason to take a

<sup>4</sup> page 58 of their 2009 report (Appendix E)

hypothetical figure when the actual figures are available. We stress however that the monthly fees are only a part of the total payments demanded by networks of operators. We would urge IPART to gather the complete set of payments an operator (and especially a lessee) makes to networks including random fines imposed by networks e.g. \$300 for being late to an appointment to have a despatch screen updated<sup>5</sup> as well as the charges for the new cameras (\$3443<sup>6</sup> plus cost of financing).

The updated camera security camera systems are being phased in to all taxis as mandated by Govt regulation. The original security arrangements were funded by a special levy and we look to IPART to make special provision in this round of fare increases to enable that substantial cost to be carried again.

*3 Can taxi drivers and operators can make gains in productivity? What are the industry specific factors that might affect the scope for productivity improvements in the taxi industry?*

Can they can?[sic] Indeed they CAN'T!

Now that IPART has established a nexus between productivity and fares, using alleged gains in productivity as an excuse to reduce fare increases last year, there is EVERY reason to accept that such productivity LOSSES must now justify fare price increases. Productivity LOSSES in the taxi industry have never been higher.

The slice of the total fare pie available to each taxi driver is being cut more thinly every day. In a knee jerk reaction to a media beat up the Transport Minister has committed to release more and more taxi plates. Each additional plate released serves to further dilute the entire fare pool amongst more and more taxi drivers. Our productivity is plummeting.

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<sup>5</sup> Example "Premier Post" December 2009 page 5. <http://www.premiercabs.com.au/news/view.php?id=260>

<sup>6</sup> Quoted by phone from Premier Cabs April 2010. CCN's advice was: "new camera prices not yet available"

The (unwarranted) release of additional taxi plates is as follows:

<b>Pretext</b>	<b>Year</b>	<b>Quantity</b>
Hire Car Compensation Plates (est.)	2003-4	170
Additional WATs	2005-2010	266 <sup>7</sup>
Additional Unrestricted leases	2009	100
Additional Unrestricted leases	2010	167
Additional WATs (est.)	2010/11	30
Total		733

Based on an overall total fleet size<sup>8</sup> of about 6786 taxis we estimate the opportunity to be productive as being cut by about 10% (more so in Sydney, see Appendix A) since 2004. So to maintain a consistent earnings rate per taxi and per driver a compensatory overall fare increase of about 10% is necessary, simply to maintain our relative incomes. Added to that should be the 3.5% Consumer Price index adjustment that IPART is advocating and perhaps an additional allowance to enable us to cope with the looming 64% increase in household electricity bills that IPART has thrust upon all of us as well.

## Traffic Congestion and Lower Speed Limits

Taxi drivers' earnings per hour are directly affected by the speed that the taxi travels whilst hired. While-ever the kilometre rate is applicable (at all speeds above 26KPH), earnings rise and fall with speed. There are three significant factors that serve to predict losses in productivity due to falling speeds.

### a) Speed Limit Reductions

Having spoken to Mr Peter Caruthers, Speed Limit Manager at the Roads and Traffic Authority, the NSW TDA Inc can confirm that precise records do exist of downward movements in speed limits as recorded in

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<sup>7</sup> Part B, Item 3.L. Weilinga's Answers to Questions on notice 5/2/10 from T. Khan, Upper House Enquiry.

<sup>8</sup> Plates on Issue Feb 2010 (6559) + unreleased portion of 2009 (60) & 2010/11 (167) plate releases. Source L. Weilinga's ans to Q's on Notice 26/2/10 and Determination 30/3/10 (Schedule 1, 32C)



the RTA's Speed Zone Authorisation database. Whilst time does not permit the NSW TDA to mount a Freedom of Information Request through which to obtain this database it is something that we would expect IPART to include in its annual assessments from now on. Each and every speed zone reduction further serves to reduce the productivity of taxis and thereby the earnings rates of taxi drivers.

#### b) Traffic Congestion

Each year the NRMA conducts traffic flow measurements which have confirmed time and time again that road journeys along major arteries continue to slow. We look to IPART to acquire the precise figures and apply their sophisticated formulas to measure that which every taxi driver already knows, that we are being delayed more and more by traffic congestion. The extent of these delays and their bearing on productivity must be included in fare price calculations. Their impact needs to be measured and compensation provided so as to maintain the overall earnings rates of taxi drivers forced to travel at ever slowing rates. The more difficult to measure is the bearing that traffic congestion has upon drivers' efforts at picking up jobs. The unpaid delays in getting to radio bookings and the unpaid delays whilst travelling vacant also detract from drivers' overall earnings potentials. Unless and until the productivity reductions caused by traffic delays are included in IPART's productivity adjustments the earnings rates for taxi drivers and in the long term the attractiveness of taxi driving as a vocation will continue to slide.

We note here that the most likely impetus for the call for a flat fare between certain venues (all renown for their traffic delays) is best explained as a certain passenger group seeking to foist the burden of traffic delays entirely upon the shoulders of the long suffering taxi drivers. Those that hope to have the taxi drivers effectively go off the payroll whenever traffic delays occur are simply dreaming if they think that taxi drivers will submit to such abuse.

#### c) Bicycle Ways

We acknowledge that the powers that be intend to roll out millions of dollars worth of bicycle ways throughout Sydney. Almost all of those routes will be at the expense of travel times for road users. The narrowing of significant arteries to squeeze in bike lanes is most often at



the expense of pre-existing traffic lanes. In addition, the first appearances of those cycleways, all have in common their abolition of legal taxi pickup and setdown points. We cite particularly the examples of King St City and Bourke Road Alexandria. On both of these bike routes the taxi access to the kerb has been wiped out completely. Not only have these bicycle ways reduced travel times for taxis but they have also reduced the access by aspiring travellers to taxis. Though difficult to measure precisely the assertion by Ms Moore that:

*The Strategy also proposes a four-fold increase in the cycling route network to almost 200 kilometres which includes 55 kilometres of separated cycle lanes and approximately 145 kilometres of cycle ways, dedicated cycle lanes and shared zones.*<sup>9</sup>

will certainly curtail the productivity of taxis as their passenger base, their curb space access and their travelling times are all adversely affected. We note, further, that some 28 streets<sup>10</sup> are listed for inclusion in the cycleway roll out none of which are likely to benefit the taxi industry at all. The fall in our productivity as a result of these measures must be translated into fare price increases using IPART's established protocol of citing a nexus between productivity and fare price levels.

*4 Is the current fare structure reasonable? Is there a case for raising some fare components by more than others?*

## Long Fare Bias

As highlighted at the public hearing (12/4/10) taxi fares are skewed in favour of the longer fare, for the driver, and against the shorter fare, for the passengers. Taxi drivers endure so much vacant time, waiting for fares, that they are better off overlooking the short fares that may become available as they wait for longer fares that have more to offer the driver. The vacancy rate among taxis plying for hire is so high that only by securing longer fares can the drivers' investment of time be adequately recompensed. The NSW TDA laments the inconvenience that this causes to the short fare patron but unless those short fares are made competitive with the rest they will continue to be scorned.

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<sup>9</sup> City Council Media Release 24/3/2007 <http://www.sydneymedia.com.au/html/3231-new-bicycle-lanes-to-improve-safety.asp>

<sup>10</sup> Current Cycling Projects <http://www.cityofsydney.nsw.gov.au/cycling> accessed 20/4/10

Whilst the State government acknowledges the notion of the round trip dilemma as it affects Ambulance journeys it somehow expects taxi drivers to complete 2 of every 3 legs of a round trip at no charge. The essential difference between the model used for calculating taxi charges and ambulances is this: An Ambulance charges for the journey TO the pickup point, the journey whilst “loaded” AND the journey back to the point of origin. All 3 legs of the ambulance journey are charged at the same rate. No so for taxis.

Radio Booking Fees \$4.00

You can’t get any other suppliers, plumbers, electricians, TV repairers etc etc to make a house call for \$2.10 and we do that at midnight on Saturday after your party! So a \$4 booking fee will make it much more likely that taxi drivers will respond to booking requests.

Taxis “enjoy” a flat fare, currently \$2.10, for all the journeys to the various pickup points and are paid nothing at all for the ensuing homebound journey following a drop-off. The rewards on offer to the taxi driver often don’t cover the actual inputs that he must supply when 2 of the 3 journey legs (to the job; with the job; from the drop) are inadequately rewarded.

The anomaly that rests in the current pricing structure is that the likelihood of a taxi driver responding to a taxi booking request is governed by factors completely outside the control of the intending passenger. If by chance a taxi is close by when the booking falls due then it will quite likely be snapped up. If, by chance the paid, hired, component, of the entire journey is large then the taxi drivers CAN justify the poorly paid (@\$2.10 flat) journey to the pickup point. If, however, no taxi is handy and the fare is short then that job offer just languishes (see screen shots following).



We acknowledge that a \$2.10 booking fee on a lucrative paid journey is redundant. We would run for those jobs anyway. However, in order that more radio booking requests will be given a higher priority by taxi drivers the NSW TDA advocates a fare restructure that succeeds in making especially the remote short fare more attractive.

Perhaps the solution lies in having a scale of booking fees that rise inversely proportionately to the paid component (short job, high booking fee). Perhaps the booking fee should be scaled to reflect the dead running (distant job, higher booking fee). Perhaps a minimum charge (combining the paid and unpaid components) for all radio bookings would achieve the desired result.

The best solution that the NSW TDA can advance at this stage is to raise the radio booking fee to \$4.00 on all jobs in order to make more of those remote short fare radio booking requests attractive to drivers who are not close by when the booking arises.

Below are some illustrations of the kinds of radio bookings that we feel would be enhanced by these increased charges:

#### Example 1

Mona Vale taxi rank to Church Point 4.6 Km, one and a half hours' walk.

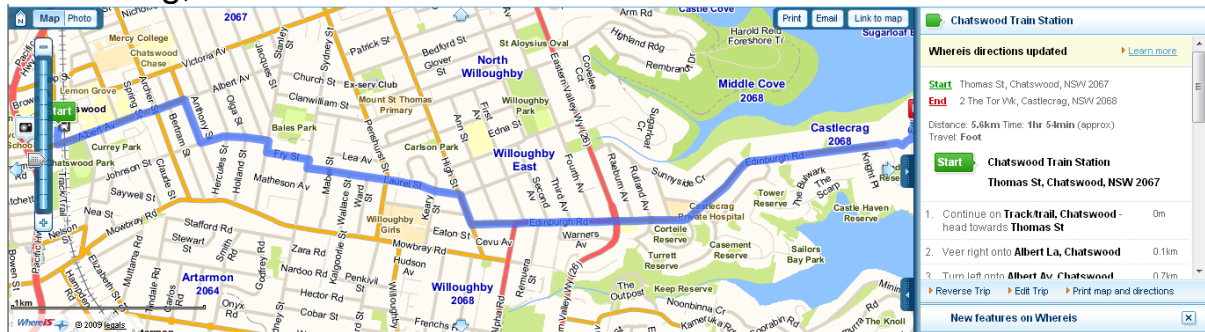


Cost of dead running (one way) about \$12.



## Example 2

Journey from Chatswood station (nearest taxi rank) to The Tor Wk, Castlecrag, 5.6 Km.

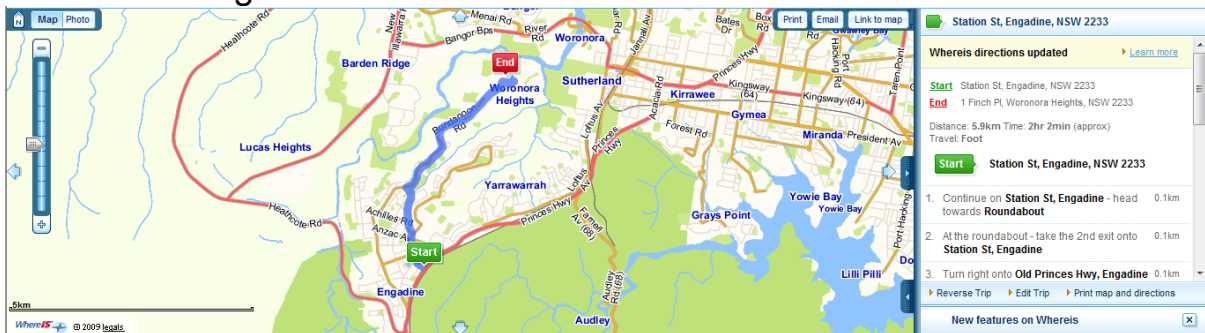


Walking time 1 hour, 54 minutes.

Cost of dead running (one way) about \$14

## Example 3

Journey from Station St Engadine (nearest taxi rank) to Finch Place, Woronora Heights 5.9Km.



Walking time 2 hours.

Cost of dead running (one way) about \$15

## Example 4

Castle Hill taxi rank (Old Castle Hill Rd, Castle Hill) to McLeod Rd Middle Dural 13.5Km.



Cost of dead running (one way) about \$30.

In each of these 4 examples, above, almost nothing has been added to the cost of dead running to adjust for traffic delays. During busy times

the traffic delays, in just getting to the pickup point, completely overwhelm and expend the resultant earnings from picking up the job. Jobs with a delay to pick up, in terms of either distance or time are not priced viably at all. Importantly pricing based solely upon the TCI does not reflect the value that the intending passenger places upon the hiring.

For many passengers the cost is a trivial matter when compared to the importance of the journey that an inadequately priced taxi fare prevents them from completing.

A \$5.00 charge for the use of a baby capsule in a taxi.

Many families have had difficulty locating a cab with a baby capsule. At the moment drivers are NOT paid extra for providing one. By charging for their use drivers will get a return on their investment and be more inclined to furnish one. The upkeep, cleaning and replacement ought not to be expected to be free. The cost of time off the road while the overflow from a full nappy is dealt with should not be underestimated. A \$5 surcharge is reasonable for the hire, care and replacement of a capsule.

#### Extra Care & Service Fee on M40 dockets

Further to the mention elsewhere, the NSW TDA advocates the subsidy rate being upgraded from 50% to 75% on all TTSS dockets. Within that additional 25% allowance, paid by the government for taxi travel by the disabled, we seek a \$5 incentive for drivers faced with the special circumstances of those passengers eligible under the Taxi Transport Subsidy Scheme. Most M40 passengers are semi disabled (not in wheelchairs or are able to transfer between their folding wheel chairs and a taxi). It takes special care and more time for taxi drivers to load and unload these passengers (often with walking frames, guide dogs or extraordinary frailty). There is in fact reluctance by drivers to accept an M40 job because of the additional time taken with these passengers with special needs. This leaves M40 passengers with noticeable delays on their radio bookings. Drivers redeeming their M40 dockets usually incur a redemption delay and service charge. Their time lost handling these

passengers and dockets and the fees incurred at factoring agents are not currently costed into the fare paid by the M40 passenger. Drivers understandably resist the lower rate of return currently offered by M40 hirings. So this proposed \$5 payment, charged to the TTS scheme, not the passenger, is both compensation to the drivers and a cure for this service anomaly.

### Penalty Rates for Sundays & Public Holidays

Almost every other occupation gets penalty rates, why not all taxi drivers? Perhaps you didn't get a cab on New Years' Eve or Christmas Day but would YOU expect to work then for the same rate as a typical Tuesday? All we want is compensation for separation from our families and to encourage drivers to come to work when people need cabs most. A 20% loading (T2, night rate, applicable all day through) for Sundays & Public Holidays (during the old Tariff 1 hours) is all that we ask here. We note that IPART has already blessed country taxi drivers<sup>11</sup> with this allowance, we only seek equivalence across the industry. We note also the prevailing occurrences of double (licence) demerit points public holidays. As more and more taxi drivers run low on licence points we are aware of an increasing number of drivers choosing not to drive at all during such periods because of the dire risks to their driver's licence.

### Waiting Time \$60 Per Hour

As taxi drivers find themselves trapped in crawling traffic more often their earnings stagnate and fall.

Traffic conditions (especially day shifts) are horrendous e.g. Caringbah to St Leonards, reasonable traffic, time 45 minutes, fare \$65.00. Same passenger Caringbah to St Leonards, bad traffic conditions, time 75 minutes, fare \$75.00

Reduction in maximum speed limits reduces our earnings for hour.

On Sunday mornings a driver can proceed from Caringbah to Engadine and Como in twelve minutes for pick ups. No way Monday to Friday.

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<sup>11</sup> IPART recommendation, table 4.1 page 2, 2009 Review of Taxi fares in NSW.



Understand our earnings depend on takings per minute/hour.

A car stuck in traffic now earns about one quarter as much as a car zooming down a motorway (\$50 per hour on waiting time versus \$115 p/h at 60Km/Hr). Only if the waiting time rises towards such a rolling rate like this will the drivers in heavy traffic earn a comparable return.

Passengers are just not getting the cabs they'd like when heavy traffic makes the job offer unviable. That is why the NSW TDA advocates a minimum waiting time rate of \$60 p/h (not the current \$50 as incorrectly minuted at the public hearing).

#### Flag Fall \$4

The starting cost of a taxi journey is currently \$3.20. That is a poor compensation for a driver losing his place in a queue of taxis where the driver may well have been waiting for hours. If that taxi is not going very far then the hourly rate that taxi earns is just woeful. It is even more woeful in the light of the announcements to release hundreds of extra taxi plates. The proposed rate would see a rise to just \$4. Raising the flagfall, the initial hiring charge, from \$3.20 to \$4.00 will make more of the short fares that are currently being rejected more attractive.

#### Kilometre Rate \$2.10 /km

For taxi drivers to simply maintain their current incomes when the total taxi travelling pie is shared out amongst more and more drivers the charge per kilometre must rise. More and more taxis means fewer and fewer hirings per taxi. In an extreme case, if a taxi was only ever hired once per day, then the entire day's earnings would have to come from that single hiring. We would hope that day never occurs but the more new taxis hit the street the higher must be the charges. The new rate we seek would achieve about a 10% rise in taxi fares overall, after allowing for the increased booking fees and flag fall. Without such a rise the extra new taxi plates will seriously reduce every taxi drivers' income.

*5 Other than the TDC survey, what information is available on average trip distances, waiting time (that is, time spent during the trip where the taxi is travelling below*

*26km/hr), the share of trips that are pre-booked and the share of trips undertaken at night?*

We believe that at least some if not all taxi network computer centres would have this information at their fingertips. Certain types of taxi meters DO log this type of information. Certain despatch systems cull this information from their fleet. It is beyond the power of the NSW TDA to acquire and furnish this type of data.

*6 Is there a need for further information to be made available to passengers on the costs of alternative modes of transport to and from Sydney Airport?*

The NSW TDA Inc. does not see this as a role for the NSW TDA Inc.

*7 Is there any evidence of passengers being overcharged or being taken by indirect routes for journeys to and from Sydney Airport?*

As an association of professional drivers the NSW TDA is at pains to guard the excellent reputation of its many professional members. To that end ANY overcharging is frowned upon and we can identify no reason why IPART or on its behalf T & I should focus on just a single route or small sample of routes. We would condemn ANY overcharging and look to T & I to follow-up and root out any drivers engaging in inappropriate conduct wherever that occurs. If a history can be confirmed of any drivers overcharging anywhere we would ask if any reason exists not to pursue the perpetrators?

There is, in our opinion, no confirmed history of overcharging on the airport routes nominated for a flat fare<sup>12</sup>. We challenged IPART at the public hearing to examine T & I's Customer Feedback Management System and we sincerely doubt that an overcharging problem exists on airport routes at all.

However, to employ strategies aimed at eliminating overcharging on just those selected routes defies logic. Even more illogical, however, is the spurious assertion that a flat fare (with all its identified attendant variances) might have any bearing on overcharging at all. What better way could a rogue, committed to overcharging a customer, find than a journey with the meter switched off?!

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<sup>12</sup> Ref L. Weilinga 26/2/10 answers to Qs on notice to Parl Com attachment A. Lists only 19 instances of overcharging in all the years 2007-2009 in all of NSW.

*8 Do the advantages of a flat fare outweigh the disadvantages?*

NO! This matter is thoroughly dealt with at length in our advice to Mr Weilinga titled "Set Fares" of 24/2/10 and was further touched upon at the IPART public hearing. That submission, already in IPART's hands, should now be regarded as a component of our overall submission to IPART. In addition to the many arguments against this proposition already provided we would add the following:

Passengers would automatically forego their right to select a route if the taxi driver is bound to a set fare. The drivers' choice of route (likely to be the one that will cost him the least) may see passengers upset, arrive late and miss flights.

A set, flat, fare, would expose taxi drivers to fractional undercutting and subsequent loss of market share by other transport suppliers especially when the flat fare would EXCEED the metered fare.

Taxi drivers, arriving in the city from the airport with a passenger on board but with their meter off, would achieve an unfair advantage over their colleagues already in the city under some circumstances. Those network computers that monitor and utilise the length of vacant time of a taxi as a means of defining eligibility for the next radio booking would be inclined to offer a fresh booking to the taxi arriving from the airport, unfairly, in preference to the more deserving taxis already in the city (having been vacant longer). The job allocation fairness would be upturned if hired taxis arriving from the airport gain a priority over the vacant taxis already waiting in the city.

*9 If there was a sufficient need to introduce flat fares, what are the most effective ways of addressing the disadvantages without sacrificing simplicity In particular:*

- At what level should the flat fare be set?*
- Should the CBD area be broken into more than one zone?*
- What geographical boundaries should be used to define the CBD zone? Should it include secondary areas like North Sydney or Kings Cross?*
- Should the flat fare include or exclude additional fees (such as the airport access fee , booking fee and Eastern Distributor toll)*
- Should the flat fare be optional or only apply at certain times of the day?*

The only way that taxi drivers are ever likely to agree to a set fare would be if they are advantaged by it, in all cases. To achieve this, one method might be to provide every taxi driver with a taxpayer funded government credit card on which to charge the taxpayers of NSW any shortfalls between set fares and metered fares. Beyond an approach as absurd as this no selection of set fare rates, area boundaries, inclusions or

exclusions would ever be acceptable to taxi drivers or be fair to all passengers.

*11 Is a mid-year review the best way of addressing LPG price volatility?*

Taxi drivers look to IPART for protection against rising fuel prices. As we are unable to pass on fuel price rises until winning IPART's endorsement we must rely on IPART to detect price spikes and adjust fares accordingly if and when they arise and then as quickly as possible. To this end we see no alternative but to advocate continual, at least quarterly if not 6 monthly, reviews of fuel prices by IPART. The "catch-up" mentality is not feasible as the parties to the journey, the passenger and driver at each point in time are unlikely to be the same beneficiaries of a subsequent catch-up.

We would point out that 7173<sup>13</sup> new taxi drivers were trained in the 3 years 2006-2008 and as they in turn file into and out of the ranks it would be unfair to compensate their successors for the losses that they incurred.

*12 If we keep the mid-year review of LPG prices, should we retain the 10% threshold for fares changes, or increase it so that we recommend fares only if LPG prices change by at least 20%, or use some other value?*

The NSW TDA would endorse fare adjustments following fuel price rises of 10% when and as they occur.

*13 Are there benefits from us looking at cost forecasts in order to decide whether to recommend a mid-year fare change? If so, do those benefits outweigh the drawbacks of doing this?*

Operators and taxi drivers both suffer the cost and downtime associated with meter adjustments. We would hope that cost changes are passed on to taxi passengers as soon as possible after they have occurred and can see no way of deciding in advance whether or not these rises will occur. Therefore, the only feasible solution seems to be to conduct fare reviews annually as is customary and make adjustments during the intervening periods when significant cost changes become known.

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<sup>13</sup> Item 8 answered by Mr Dunn contained in Mr Weilinga's answers 26/2/10 to Question on Notice from Mr Roy Smith MLC at the Parliamentary Enquiry

As suggested at the public hearing we would suggest a space be left on the standard fare sticker into which a fuel levy sticker could be placed, subsequently. Such a sticker could be issued if and when fuel price rises have been confirmed.

### Non-Viability of Wheel Chair Accessible Taxis

There are so many negatives attached to running a Wheel Chair Accessible Taxi (WAT) that it is frankly a wonder that any remain on the road at all.

### Higher Running Costs

WATs are universally heavier than the “typical” taxi on which the Taxi Cost Index is based. This additional weight drives up the running costs in all areas. Fuel efficiency of WATs is vastly inferior to that of a standard Falcon. Many WATs run on petrol not LPG yet the oppressive fare pricing restrictions prohibit the intending WAT operator from being able to pass these extra costs along. Tyres on these larger and heavier vehicles are worn out more quickly and cost more than on a standard taxi. Many, many spare parts are comparatively dearer for WAT vehicles. We would urge IPART to investigate the debacle that was the Mercedes Sprinter. The operators of those vehicles quickly found them completely uncompetitive and none now remain in the market. The mix of taxis across the entire fleet is changing continually as more and more WATs come on line. If the government is serious about increasing the availability of WATs to the disabled then it must acknowledge the higher running costs that impact on potential returns to operators and drivers. If WATs are going to be obliged to charge the same taxi fares as “standard” taxis then their increased costs must be recouped in other forms. The discount on plate lease fees is a start but that is time based not kilometre based. Taxi running costs are primarily kilometre based. The more a WAT travels the more inadequate is the lease fee subsidy.

### Reduced Attractiveness to Night Drivers

Whilst we acknowledge that the hours of operation and shift change restrictions on WAT vehicles are outside the auspices of IPART the impact of these restrictions falls entirely within IPART’s area of responsibility. To run a viable taxi business the vehicle needs to be on the road as often as possible. The TCI assumes a large number of

active shifts on the road each week. The restrictions (delayed shift start until 5pm) on night drivers in WATs denies the intending night drivers the gross earning opportunity of two of the busiest hours of a night shift in a taxi. That revenue loss turns willing night drivers away from WATs and robs the operator of the night shift bailment that he could earn if his taxi was a “typical” taxi and a willing night driver could be recruited to bail it. Yet, as we said above, the mix of NSW taxis drifts towards a higher and higher proportion of WAT vehicles. This revenue loss, caused by the bailors’ inability to recruit a willing night driver, severely affects the viability of the WAT taxi operation. Compensation for those many hours off the road suffered by WAT operators needs to be found. The reduced plate lease fees are insufficient to adequately compensate WAT operators for their loss of most night shift bailments. This problem is expected to worsen with the release of the recently announced extra plates (100 + 167) causing even stiffer competition among operators to find night drivers.

### Higher Wash Costs and Longer Wash Times

Most taxis are washed either nightly or every second night. The standard charge for this on a “little” taxi is \$12 and takes 15-20 minutes (including waiting). The wash cost and time lost are both borne by the night driver, usually. However for a WAT the wash costs are usually \$17-\$20 (depending on the size of the WAT) and the wash can take half an hour if the floor needs to be mopped and dried. The extra time off the road and the higher cost further serves to discourage night drivers from accepting a shift in a WAT. Unless compensation can be found for situations like this most WATs will remain single shifted with all the attendant burdens falling on the operators. The absence of these vehicles from the road altogether also reduces the availability of taxis to night time revellers.

### Potential For Additional Earnings in WATs

#### 1) Maxi Bookings

We acknowledge that there are some minor windfall gains applicable to the WAT operators and drivers but these are inadequate to achieve viability. The first additional earning potential flows from “Maxi” booking provisions. Maxi bookings permit a Maxi taxi to charge 50% above the (time dependent, current) taxi fare and applies when more passengers than could be accommodated in a typical taxi combine in one single Maxi taxi. Over time the typical taxi has changed. Whereas once the

typical taxi had a bench front seat that enabled the typical taxi to carry 5 passengers there are now only bucket seats in the front of taxis and those reduce the taxis' capacity to only four passengers. The boundary line between a Maxi and standard booking has remained at 6 or more passengers which is not reflective of the actual, physical, boundary, five passengers or more. As a result passengers hoping to attract a Maxi taxi to travel the extra kilometres to come and get a party of only five travellers are usually disappointed. Although they need the services of a non-standard taxi they are only eligible to be charged standard taxi fares. To their detriment, instead of attracting a Maxi taxi the networks most often send them two standard taxis for which they suffer a 33% loading compared to that which they would have paid had they travelled together in a Maxi taxi at Maxi-taxi rates. In order to save groups of 5 passengers the higher costs that two small cabs would entail the NSW TDA advocates authorising the Maxi taxi rate to commence with passenger loads of 5 instead of 6.

## 2) Baby Capsule Bookings

There is a line of argument that that would say that by diversifying the kinds of hirings that a taxi can ply for they can increase their earning potential. One such example would be to cater to the market seeking to hire a baby capsule as well as a taxi. Yet, whereas in every other hire market the hirer pays extra for receiving extra, the hirer of a baby capsule currently pays nothing extra. The supply and upkeep of a baby capsule is not free to an operator. Neither is the time off the road while the baby capsule is removed from its anchorage points (at the end of every capsule hiring) nor is the time off the road while the after effects of a nappy spillage are dealt with. Baby capsules are stored, in some taxis, in a "coffin top" roof top box. The additional wind drag caused by those coffin top boxes consumes around an extra two litres of LPG per hundred Km in a typical taxi to the taxi drivers' significant disadvantage. There is an understandable reluctance by drivers to respond to requests for unpaid work. Baby capsule bookings are currently shunned by most drivers. Many operators are understandably disinclined to invest in additional capital for which there is no reward. The Dept of Transport and Infrastructure has attempted to achieve a satisfactory result using the "stick" method. T & I have sought to mandate the supply of baby capsules by imposing quotas on networks to ensure carriage and on WATs to furnish capsules. These strategies have met with dismal failure. Passengers seeking to locate a baby capsule with their cab are all too frequently disappointed. It is now time to put away the stick and try the



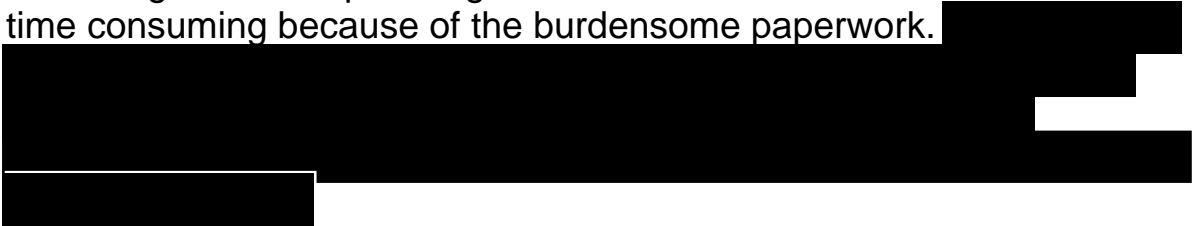
“carrots”. That is why the NSW TDA urges the creation of a \$5 service fee for the supply and use of baby capsules.

### 3) Wheel Chair Hirings

Despite the extended trial of the \$7.70 lift fee the earnings of taxi drivers in wheel chair taxis remain well below that of drivers in “standard” taxis. There remains a pattern of rejection by able bodied passengers who snub the wheel chair accessible taxis. Time and time again a WAT driver, sitting at the point (head) of a taxi rank, will witness intending hirers walk past their taxi and depart the rank in one of the smaller cabs lined up behind it.

When the WAT driver is “fortunate” enough to win a WAT booking he can be assured of earning less for that hiring than for all others.

Invariably the journey to the pickup point will be longer than a typical journey to a standard pickup point. That is confirmed by the thinner spread of WATs throughout each area of operation ensuring longer average journeys to the WAT pickup points. Invariably the WAT passenger takes longer to reach the stationary taxi after it pulls up at their departure point. Although the driver is entitled to start the meter after the passenger has been contacted he is still obliged to complete the unloading free of charge, unpaid. The current (inadequate) waiting time rate is the lowest of the possible earning rates for a taxi, about half what the taxi would earn if it could immediately join the flow of traffic (compare: \$50 p/h versus 60K p/h times \$1.93p/Km=\$115.80). The unloading of a WAT passenger is made even more cumbersome and time consuming because of the burdensome paperwork.



These vouchers in turn all require further processing and entail delays waiting for redemption. Often redemption incurs a factoring agent's service fee so that their full face value is rarely redeemed. The lift fee is currently paid for out of taxi operator contributions via the Taxi Advisory Council pool funded solely by taxi operators via their accreditation fees. This is most unjust. Whilst we applaud any initiative to give the disabled greater access to travel options we reject the notion that their additional needs should be funded only by the taxi industry. That funding should be drawn from the community as a whole, not just the taxi industry. The extent of dissatisfaction by taxi drivers of being inadequately rewarded for doing wheelchair work has been assiduously camouflaged

by Transport and Infrastructure. We refer particularly to the misinformation no doubt fielded to and subsequently fielded by Mr Les Weilinga in his testimony to the Upper House Parliamentary Enquiry. Although he quoted the seemingly satisfactory statistic that 77% of WAT drivers WERE happy with the lift fee<sup>14</sup> the real subterfuge that was played upon Mr Weilinga was in turn played out upon the Parliamentary Committee. The subterfuge is this: The survey that Mr Weilinga refers to was of accredited WAT drivers. The first question in that survey was "Are you currently driving a WAT". No publication of the proportion of accredited drivers answering "NO" has ever been made. However if the respondent did indeed answer "No" as many of our members did, then the survey was terminated immediately and no further data was collected. So, it was only from amongst the drivers who remained in WATs that the 77% satisfaction level was attained. Meanwhile the very great majority of WAT accredited drivers who had chosen to refuse to continue to drive WATs because of the inadequate rewards were never asked this vital question. Those statistics lied! There remains a chronic shortage of willing WAT drivers despite, according to Mr Weilinga's own figures, there having been a further 2397 (general) taxi drivers trained in 2008<sup>15</sup>.

Unless and until WAT taxi work is made more rewarding to the DRIVERS there will continue to be problems with WATs. In their submission to the Upper House Enquiry the Disability Council of NSW noted: "...waiting times for booked WAT services have improved on average but they still lag behind non-WAT response times"<sup>16</sup>.

In their submission to the Upper House enquiry the NSW Disability Discrimination Legal Centre Inc and the Physical Disability Council of NSW urged, recommendation 7, "...the WAT driver incentive payment should be increased"<sup>17</sup>.

In their submission to the Upper House Enquiry Penrith Disabilities Resource Centre Inc wrote: " We suggest the Taxi Enquiry recommends incentives to make it [WAT work] more attractive to the taxi industry and

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<sup>14</sup> Item 4, of Mr Weilinga's answers to Questions on Notice, signed 26/2/10 "77% of WAT drivers surveyed believed that the scheme is effective in encouraging them to pick up more WAT hirings and respond more quickly to WAT bookings"

<sup>15</sup> Op cit. item 8

<sup>16</sup> UHCE Enquiry Submission 43 page 4, Mr Andrew Buchanan

<sup>17</sup> UHCE Submission number 14 page 11, Ms Fiona Given

encourage them to provide more accessible taxis as this would eliminate lengthy waiting times”<sup>18</sup>

In Jenny Roberts’ (of Lime taxis) oral testimony to the same Enquiry when asked by The Honourable Greg Donnelly MLC about the lift fee she responded as indicated below<sup>19</sup>:

*The Hon, GREG DONNELLY: It has been argued by other witnesses to this inquiry that that fee, in and of itself, if it is at the right amount and struck at the right level, can be influential in providing motivation for the provision of taxis with disabled passenger capacity. Would you agree with that statement?*

*Ms ROBERTS: Yes, I would.*

The Hon. GREG DONNELLY: Do you have a view about what might be an amount which might concentrate drivers’ minds to enter into the disability field? –

*Ms ROBERTS: I think it would be between \$10.00 and \$15.00 I think other States are higher. If you go to the ATIA site, they list all the wheelchair rates.*

The NSW TDA Inc is gravely concerned about the inadequacies of service rendered to the disabled community but is equally adamant that each WAT hiring should not depend for its success upon an act of charity from a taxi driver. Although the media has oft accused struggling taxi drivers of “cherry picking” we see this instead as a struggle for survival. The onus rests squarely upon the shoulders of the regulators, as duly advised by IPART, to ensure that those of us who tend to the needs of the disabled are adequately rewarded. To extend the fruit analogy just a little further we see it as IPART’s responsibility to make every WAT hiring a “plumb job”. Such a move would be welcomed by taxi drivers and the disabled alike.

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<sup>18</sup> UHCE Submission 23, page 4, Murray Wilcockson

<sup>19</sup> UHCE Transcript of Oral Testimony 2/2/10 page 51, Jenny Roberts

## WAT Strategies

To achieve the desired and required result the NSW TDA advocates the following strategies:

- a) That the current lift fee be raised to \$10 per hiring (and paid out of consolidated revenue not taxi industry funds); This fee to be tied to 12 minutes' waiting time for future adjustments.
- b) That each WAT hiring be charged at the tariff 2 rate (a 20% loading during tariff 1 hours)
- c) That all passenger loads of 5 (instead of the previous 6) and above be charged at Maxi taxi rates.
- d) That the sadly outdated cap on TTSS payments be lifted from \$30 to \$60
- e) That the proportion of each WAT hiring, paid for by the passenger, be cut from 50% to 25% of the total fare, the remaining 75% coming from the TTSS as in SA and WA.

Below is a summary of comments on and about the TTSS scheme taken from submissions and comments furnished to the Upper House Enquiry:

Number & Agency	Ref	Advice to Upper House Parliamentary Enquiry
1 Adam Johnston	P3	Raise
8 People With Disability Australia Incorporated	P 3	Raise cap to \$60 Raise rate to 75%
14 NSW Disability Discrimination Legal Centre Inc and Physical Disability Council of NSW	P10	Cites ACT Lift fee of \$10. NSW increase supported
20 Northern Rivers Multiple Sclerosis Network of Care	P 4	Cites \$60 cap in Vic & up to 75% subsidy in other states Vic Lift fee \$14
23 Penrith Disabilities Resource Centre Inc	P 2	Raise cap to \$50 then include CPI rises
43 Disability Council of NSW	P 7	Raise cap to \$40 Raise rate to 75%
54 Ted Hirsch	P 9	Raise cap to \$60 Max pass Contribution at \$30
56 Tourism and Transport Forum	P8	Cites/advocates other States' \$60 cap (Vic) & 75% subsidy (SA & WA)
32 ATDA Michael Jools	P 6	Cap pass contrib at \$30
Jenny Roberts (Oral 2/2/10)	P51	Raise lift fee to \$10-15
<b>46 NSW Taxi Drivers Asn Inc</b>	<b>P 17</b>	<b>Raise Cap to \$60</b> <b>Raise Lift Fee to \$10</b>

## **APPENDIX A**

### **Taxi Drivers Income Dilution by Fleet Expansion**

(Based on a Sydney Fleet of 5174 Cabs)

WATS	(3 years)	+276	5.5%
January 2010		+100	2.0%
March 2010		+167	3.2%
New WATS	est. 20 to 40	+20	.4%
<b>Total recent fleet expansion</b>			<b>= 11.1%</b>
Fare increase to compensate is			11.1%

### Total Sydney Taxi Fleet Size Required

Total taxi fleet required for healthy taxi industry and good standard quality of service to customers = 1 taxi per 1000 population.

Sydney has a population of 4.5 million. Therefore, a good standard of taxi fleet required to service the Sydney population is 4500 taxis.

In December of 2009 Sydney began with 5174 taxis

<b>Add:</b>	January 2010	+100
	March 2010	+167
	New WATS est.	+40
<b>Total</b>	taxi fleet in Sydney this year	5481
	Total taxi fleet needed	4500

Therefore, taxi fleet 2010/11 is: 121.8% of reasonable maximum

Total fleet overexpansion is 21.8%

Total Dilution of drivers' income is 21.8%

Fare increase to compensate is 21.8%

If we include 700 hire cars and 300 illegal commuter vans posing as Tourist Vehicles there are approximately 1000 extra non taxi vehicles doing taxi work we get to the real figure of total vehicles servicing the taxi market with a Sydney population of 4.5 million 2010:

Total legal taxis	5481
Total extra vehicles [approx]	1000
Total all vehicles	6481
Total required	4500
That is, 144% of total fleet needed	
Or, total overexpansion	44%
Total compensation required	44%
This implies a fare increase of	44%
So, take your pick;	11%
	22%
	44%

**We ask for 10%**