

# **SUBMISSION**

**to the**

**INDEPENDENT PRICING AND  
REGULATORY TRIBUNAL**

**on the 2010 Annual Taxi Fares Review**

**by**

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**30 APRIL 2010**

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30 April 2010

Dear Sir,

## **IPART SCRUTINY : 2010 the year of taxi industry scrutiny**

### **Preface.**

2010 is the year of the greatest scrutiny of the NSW taxi industry ever !  
The year of searing SMH scrutiny, the new Plate Lease Bill, the Christie Transport Report, the first ever Parliamentary Inquiry and Hearings, and the year that Cabcharge faces the ACCC.  
But the IPART Discussion paper indicates IPART regards it to be business as usual ?

In fact IPART is deserving of intense and critical scrutiny.  
In both its fare reviews and its procedures affecting the reviews.  
As reflected in the growing comments and concerns of stakeholders in the past 2 to 3 years.

IPART has deliberately disregarded major submissions, allowed TCI costs to be hugely distorted and inflated, is derelict in not addressing fair and equitable minimum driver earnings, in knowingly raising fares far above the real market costs, in not addressing huge oncosts from taxi plates leases and eftpos fees and in its disregard of its government granted Terms of Reference at the expense of drivers, operators and the public.

This submission addresses the fundamental factors that continue to impede the fare IPART reviews.  
In Section 3.00 it comments on the limited, relatively less significant issues of IPART's Discussion paper.  
If the drastic distortions of the IPART taxi model and inflation of the Taxi Cost Index are corrected then increased costs in 2010 may well be able to be absorbed and any fare rise unnecessary.

This 2010 public individual submission is in the form of an open letter to IPART.  
It takes this open form to address the issues at the highest possible level and to ensure they are public.

It draws on some 6 years involvement with IPART fare reviews and from drafting the NSW TDA submissions as its Secretary for the previous 3 years.

## **A. IPART Credibility**

Credibility is absolutely essential to the work of IPART and its acceptance by the public and the taxi industry.

That credibility is showing signs of crumbling.

From the commencement of IPART fare reviews in 2001 much of the data was provided by the Taxi Council. The legacy of this seems to remain to this day in the inflated operator costs of the present TCI.

Some years ago, IPART's then chairman Prof Tom Parry revelled in his role, title and public attention. Following his review of the taxi industry, on TV in response to the question of much public concern, he stated to the effect that "Yes, he had received many submissions and information on the vexed issue of the 3 o'clock changeovers, but, no, he could not suggest a solution."

Laughter from the public and the taxi industry filled the Sydney air. IPART's credibility plummeted and not long later the Professor was redeployed in a bureaucratic backwater not to be heard from again.

In 2004 change commenced with the NSW TDA formally participating in the fare reviews, although some driver involvement had occurred before. The importance of this was that it brought fresh voices, new perspectives, openness and truthfulness and different information to IPART and the fare reviews.

It began to relieve IPART from possibly being 'captive' to the taxi industry mafia since 2001.

It was marked by the NSW TDA publicly providing IPART with the IRC 2005 Court Transcripts revealing the dreadful Taxi Council /TIA lies to the IRC concerning the extensive evasion of legal driver entitlements. (Appendix F)

The new broom Chairman Dr Michael Keating was publicly welcomed by the driver association. Both for the Canberra reputation that preceded him and for the breath of fresh air and credibility he might bring to IPART.

IPART embarked on a major revamping of the TCI with the benefit of the 2007 PwC survey which was accepted notwithstanding several of its, inevitably, dubious and inaccurate results.

Since then IPART appears to be resting on its laurels and its credibility has begun to wane.

Any further corrections of the TCI costs and data, despite being manifestly and demonstrably necessary, are doggedly resisted. The totally irrelevant and unacceptable excuse is often "not till the next survey".

In the meantime objective and equitable fare reviews are languishing.

And some stakeholders are losing confidence as IPART's credibility is crumbling.

Very importantly, on 12 April 2010, after 2 years of increasing stakeholder concerns about IPART's performance, the acting Chairman's clarion call concerning the need for a better data base will hopefully help to restore IPART progress and vital credibility.

The statement undoubtedly has strong support from stakeholders.

The acting Chairman's frank statement is referred to in detail in 4.01 below.

## **B. IPART support**

Taxi industry support is essential to IPART's work. Without it IPART will inevitably flounder.

Most stakeholders and the NSW TDA have fully supported IPART, its Terms of Reference and its admirable operational policies of openness and transparency. NSW TDA wrote to the Minister supporting a full IPART Regulatory Review and supported in principle a mooted IPART policy role in taxi industry matters.

Since 2007 however, as reflected in submissions, stakeholders have become increasingly concerned that IPART's attitudes and processes are undermining the objectivity of IPART fare assessments and the Terms of Reference.

Some concerns were initially hinted at by the NSW TDA 2008 presentation questioning the “Emperor’s clothes”. The subsequent 2008 IPART Final Report however gave rise to increased concerns. Submissions from other stakeholders have added to these concerns. And the events of 2009 and 2010 to date have culminated in this submission letter.

The support of IPART, in the extraordinary sacrifices of unpaid volunteer driver stakeholders, in writing painstaking submissions, informing and educating IPART, rewriting critical Glossary industry definitions and key Box 2.2 Industry Participants, and engaging in open meetings and discussions, is founded in the concerns for the taxi industry and confidence in IPART objectively serving that industry and the public.

The strength of criticism of IPART in this submission might therefore be depicted as that of the Chinese ‘zhengyou’; strong friendship which offers unflinching advice and councils engagement in principled dialogue about matters of contention. But criticisms which should not be ignored.

IPART must reorganise urgently to salvage its credibility and the attendant support of the taxi industry.

### **C. IPART Problems.**

In the year of 2010 of taxi industry scrutiny, from several years of experience and familiarity with IPART reviews, reports and procedures, the following criticisms are levelled at IPART’s performance.

Criticisms that can unfortunately be clearly substantiated, such as :

1. IPART’s serious lack of taxi industry knowledge affecting it’s work and calibre of fare reviews,
2. An inadequate data base and industry information – as recently stated frankly by the IPART CEO,
3. Inadequate input and feedback procedures, especially from informed industry representatives,
4. A degree of arrogance and smugness in ignoring submissions and criticisms,
5. Unnecessary, unproductive defensive reactions and responses to criticisms.

It is noted that this submission is not intended as a personal reflection on current IPART staff. The IPART staff involved with taxi industry matters are respected and have a mutually sound professional rapport with stakeholders.

### **D. IPART Excuses.**

Submission comments are frequently rejected or dismissed with a variety of ‘reasons’.

These ‘reasons’ have become so frequent, so mundane, so selectively and so contradictory that they are often tiresome excuses without relevance or validity.

Common excuses range from, but are far from limited to :

- ‘IPART does not determine wages (or driver /operator split), the IRC does.’ Not only are stakeholders fully aware of this, they have had to explain to IPART the critical distinction (viz. 1.01 below). This excuse is also often a semantic furphy because IPART in fact does make such decisions in the TCI costs, some well founded but often arbitrary and subjective, and directly ‘determining’ /influencing the IRC determinations.
- ‘This issue/decision/data is based on the PwC survey.’ A survey so discredited in parts, and an excuse used so selectively, that it often simply holds no water. IE it often has no credibility !
- ‘The Tribunal will decide.’ This is time wasting of scarce driver time resources by paid full time staff. There appears usually to be no reason why issues cannot be discussed frankly, subject to final decisions. Indeed it’s important to do so (refer 4.00 below).
- ‘Well, write that in your submission.’ In the absence of discussion, again, simply time wasting of scarce driver time resources by paid full time staff. Indeed a year’s worth of time wasting till the next round of fare reviews ! Underscoring the importance of discussions exploring and resolving issues (refer 4.00 below).
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- 'That's how it is done in other industries.' Quite frankly, usually irrelevant and ignoring the unique nature of the taxi industry. As IPART itself states, the TCI rather than the block approach common for regulated industries, is used because the taxi industry is different (IPART 09 Final Report p4,5).
- 'That's how we do it.' Without a clear explanation, simple hubris, unworthy of IPART.
- 'We can't get that data from networks / T&I.' Totally unbelievable. (EG. refer 2.04 below.) (And the importance of "Box 2.2" at 1.05)

Such excuses are so common that they convey the impression of IPART being doggedly set in its ways. And at times evasive.

Not a good look. And not conducive to confidence and support from stakeholders.

A conscientious return to IPART principles of Openness and Transparency, open honest explanations and reasons always, and close adherence to the Terms of Reference is vital.

### **E. IPART Terms of Reference / Openness and Transparency.**

IPART's government granted Terms of Reference - extended it is noted only for this year of 2010 - are commendable and fully supported. As are IPART's Openness and Transparency operational principles. But it is questionable if they are conscientiously practised and adhered to.

It is strict and conscientious adherence to the Terms of Reference and Openness and Transparency that is central to IPART return to full credibility and full stakeholders support.

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In the year of 2010 scrutiny, the criticisms, examples, comments and recommendations in this submission are made in the interests of improved IPART performance to the benefit of the taxi industry and the NSW public. Improved IPART performance essential to fare reviews, for this and future years.

Previous examples, some expanded and others have been used to clearly illustrate the criticisms made. They are not used with pleasure, but out of necessity.

They involve excessive amounts of valuable preparation time which should not be necessary, except for IPART to see and hopefully absorb and adopt essential lessons.

The examples are illustrative of IPART's crippling lack of knowledge of the taxi industry, of denial and lack of acknowledgement of submissions, refusal to correct historic distortions to the TCI, of a lack of openness and transparency contrary to its stated operational principles and lack of implementation of the IPART Terms of Reference.

# **1.00 IPART PROBLEMS AND LACK OF KNOWLEDGE**

The appalling lack of knowledge of IPART of the unique taxi industry is unacceptable, if understandable. That lack of knowledge is a crippling factor in IPART's ability to analyse and decide issues accurately or objectively.

The taxi industry is a secretive and much more complex and byzantine industry than would appear on the surface.

IPART's serious lack of knowledge of the taxi industry may be due in part to corporate memory loss, seemingly resulting from staff changes in previous years and due to only a few regular staff being assigned to specialist taxi matters.

Lack of taxi industry knowledge has seriously affected the quality and calibre of the important IPART annual taxi fare reviews.

Presently, IPART appears inclined to ignore it's lack of knowledge, or at times, to arrogantly dismiss it as a serious handicap affecting the quality and calibre of the taxi fare reviews.

While IPART may not agree with this statement, that is increasingly becoming the view of stakeholders whose collective perspective is one of many years of industry experience and knowledge.

To progress and improve its work, however, IPART needs to recognise its lack of knowledge. Only then, can IPART take the necessary steps, such as suggested in Section 4.00 below, to improve its knowledge base in relation to the annual taxi fare reviews and possible taxi industry reviews.

Unfortunately, there are too many examples of the lack of knowledge of IPART clearly evident throughout its reports. These are not commented on by stakeholders unless of immediate consequence. The following examples are raised again because IPART appears to refuse to admit to itself, let alone most importantly take any steps to rectify, its very serious knowledge deficiencies.

## **1.01 IPART unaware of IRC processes.**

In 2008 IPART initially refused to table its fare increases in a format suitable for use by the IRC, claiming IPART was "independent". Both the TC Ltd and NSW TDA explained why IPART had such a responsibility and relationship and IPART subsequently submitted to reality (albeit clumsily with possible subsequent ramifications in IRC).

That IPART was ignorant of this critically important IPART /IRC relationship, was fortunately compensated by listening to knowledgeable stakeholders advice. An important object lesson in itself !

And yet IPART continues to insist stubbornly that "IPART has no role in setting the distribution of fares to operators and drivers" (IPART 08 Final Report p81).

How much time does it take to learn ?

## **1.02 Harbour Bridge Return Toll fiasco**

The lack of industry knowledge is also evident in the unfortunate time wasting incident of IPART's proposed discontinuation of the Harbour Bridge Return Toll based on the ignorance of a single passenger letter and promoted by IPART without any prior consultation and with equally disconcerting ignorance of the long established sound reasons for the Toll practice.

It was withdrawn by IPART only after a flood of objections and the prospect of industrial action. IPART recently characterized this as demonstrating its flexibility (IPART 20May09 letter p4).



But in fact it withdrew the proposal with some unprofessional churlishness that “drivers are obliged by law to accept all hirings”. Together with a further display of amazing ignorance in its parting report that “it is clear that the Gladesville Bridge is an alternative route that is available”, indicating even after the flood of explanations, that IPART still did not understand the issue and the reasons for the return Toll ! (IPART 08Final Report p72-74)

Truly astounding and worrying !

### **1.03 Irrational impossible “productivity” penalties**

The dire lack of IPART industry knowledge plus a degree of unfortunate arrogance is most dismally displayed in its 5 page attempts to justify ridiculous “productivity” penalties on drivers and operators (IPART 09 Report p13-17). Neither drivers nor operators can control or implement these IPART fictions. How can an operator back at base possibly improve the IPART trips per hour criteria? Drivers are already dangerously competitive for fares, as IPART knows - but ignores. Should they drive faster?

Why, logically, does IPART not penalise those in control and able to effect significant industry productivity gains ; Transport & Infrastructure, Taxi Council, Networks, Plate owners ? Why not penalise the increasingly defunct booking services which are capable of huge improvements?

As a salutary reminder to IPART, if drivers could self-achieve them, then the NSW TDA would not have issued this year to T&I and the Parliamentary Inquiry a long list of measures to improve existing taxi fleet productivities.

Measures IPART would and should be aware of if it had been monitoring those public forums.

The abysmal lack of industry knowledge of IPART is clearly displayed in its three ‘examples’ of how drivers and operators can lift their productivity.

In its 2008 Final Report p42, in its complete ignorance of the industry, IPART was fooled into quoting a stakeholders productivity statement completely out of context that “We are ready to do our share to lift the game. ... Technology is at hand to assist – GPS, on-line bookings, smarter payment systems.”, without realising that these were a promotional ‘infomercial’.

Pressed, IPART then uncritically quoted as “examples of sources of productivity” as the basis of its productivity penalties (2009 Final Report p16) :

- Improvements in technology – such as GPS to improve trip time and make central despatch more effective, SMS and internet bookings
- Training for taxi drivers to improve service and increase demand for services
- Operational improvements – eg better positioning of taxis between trips.

The nonsense of the IPART examples is exposed with the simplest questions. So called better positioning of taxis between trips to find fares as quickly as possible is already done by every taxi driver automatically in a desperate effort to improve paltry earnings. And how this, or any of the IPART examples, can possibly improve operators productivity is an IPART mystery.

Who is responsible to provide improved training? Drivers? Operators? Is such training available? Who should be penalised if it is not being provided?

Internet bookings ? Provided by drivers? Or operators? Should networks be penalised?

Which leaves GPS – for operators ? - to carry the total burden of IPART’s unproven arbitrary so called productivity improvements. But GPS can be counterproductive and must be thoroughly examined by IPART before it can be claimed to have any credibility to improve taxi productivity.

Back to taxi training school, IPART, to learn about the taxi industry in detail !

A silly example may bring the IPART productivities criteria into some perspective. To increase productivity by one trip per taxi shift is the equivalent of all IPART staff being required to improve their

daily 'output' efficiency by half an hour. For every day of the year, every year and to be penalised each year by a salary deduction as an "incentive". Would such an external review of IPART be accepted unquestioningly and with equanimity by IPART staff?

By contrast, taxidrivers are highly motivated financially to find every extra feasible fare possible !

Justifying its decisions on productivity, IPART several times declares "IPART is of the view that ...", views that can only be based on lack of experience, knowledge and insight into the industry (2008 Final Report p42). Such 'IPART views' without a shred of evidence display hubris and ignorance.

IPART's so called productivity improvements are irresponsible guesswork.

And IPART's arbitrary uninformed productivity penalties are the height of arrogant ignorance.

A further clear indication of IPART's lack of knowledge and nail in IPART's credibility.

As to sourcing the productivity improvements, IPART is totally silent. It's 2008 productivity penalties on drivers is "roughly equivalent to one extra trip per shift" industry (2008 Final Report p42). By IPART's own taxi model that is 1 trip X 260 shifts pa X 17,000 drivers = 4,420,000 extra Sydney trips plus a further 1,300,000 extra country trips per annum. As to such extra trips having to from come either trips declined or from demand growth, IPART makes absolutely no statement.

The IPART productivities were denounced by all stakeholders and others present at the 12April2010 public presentation. Like the unanimous Flat fares rejections as carefully noted by the acting Chairman. (Transcript 12April2010)

IPART should heed the call of the stakeholders, do its homework properly, and completely abandon all such penalties until such time as it can clearly and convincingly identify productivity improvements based on reliable information and evidence.

#### **1.04 Glossary of accurate industry definitions or evasion ?**

At NSW TDA's suggestion in 2008, IPART issued a Glossary of key taxi industry definitions (IPART letter 20May09 p3). This happened to reveal an appalling lack of IPART industry knowledge, with many critical Taxi Cost Index definitions being incorrect and misleading.

Fundamental IPART misconceptions of industry practices and definitions which showed a lack of depth of understanding and investigation which may have existed since the commencement of IPART taxi industry assessments !

Simultaneously, IPART carried some adverse statements in its 2008 Final Report about the lack of understanding of stakeholders in relation to several of those incorrect Glossary definitions.

Suggesting a misplaced touch of arrogance to boot.

Following extensive NSW TDA corrections, provided voluntarily and at great time sacrifice (Appendix H), IPART instead published a 2009 Glossary excluding most of its previously incorrect but centrally important TCI taxi industry definitions.

Extraordinarily unprofessional. And lacking in openness and transparency.

In some tortuous sophistry, IPART now claims to have introduced the Glossary to make clear where IPART's use of taxi industry terms was different from the industry's use. Really ! And to include the terms next year where considered "it is appropriate" (IPART letter 20May09 p3,4).

Very odd, given those definitions all being used in previous Reports.

Is IPART afraid of correcting basic mistakes?

Ironically, a definition such as "downtime", that has continued to be used by IPART in the 2009 Final Report since then to justify deliberately minimising driver 'wages' does not appear in the Glossary.

On 12April2010 the acting Chairman called for "an accurate objective representative information base" (Transcript 12April2010 col46, line44,45)

Will the acting Chairman's call be acted on ?

### **1.05 Box 2.2 industry information or secrets ?**

Similarly, Box 2.2, comprising complex and difficult to compile information about the nature and structure of the taxi industry, was a huge voluntary time and effort contribution by NSW TDA to IPART's knowledge bank and to IPART's policy of openness and transparency. It also was suggested to be simply verified by knowledgeable stakeholders' consensus.

In its somewhat enlarged 2009 "Box 2.2" however, IPART continues, without explanation, to conceal all the structures of vested industry stakeholders and the key financial flows through the taxi industry. In one as secretive as the taxi industry, scarce public knowledge of the key players, main stakeholders and their interests and funding are fundamental to improved understandings.

For example, the Taxi Council successfully promotes itself publicly as the "peak" taxi body, but in fact represents networks and plate owners interests. Despite its CEO radio statement last year claiming to represent taxidrivers, it is in fact anti drivers. And suffers operators only as turkeys to be plumped up with increased IPART costs and subsequently plucked for increased Lease fees for the benefit of its real membership from which it draws its considerable fees (and which of course are a generally unknown costs on taxi fares).

Such relationships are important public knowledge in the struggle for annual taxi fare reviews and in clearly understanding IPART's role.

It appears that IPART is issued its Terms of Reference by T&I rather than the Minister – for this 2010 year only. Is T&I also IPART's paymaster? Might that explain some IPART tardiness ?

Significantly, the Taxi Council Mr Ramsay, last month agreed with the Parliamentary Inquiry that the taxi industry is complex, and with openness of information for better public understanding, especially in relation to the structure of the industry. (Inquiry Transcript Wed 31March2010 p25)

And IPART continuing to conceal such information appears to be in direct contradiction to the IPART acting Chairman's clarion call for better data and "an accurate objective representative information base" (Transcript 12April2010 col46, lines 44,45)

In view of these remarks, and having been provided this valuable information on a plate, why without reason has IPART in its 2009 "Box 2.2" declined to publish most of it?

Public, objective, open and transparent information is a key to IPART credibility.

## **2.00 IPART'S DISTORTED DYSFUNCTIONAL TAXI COST INDEX**

Having developed the TCI Taxi Cost Index, IPART now considers it as sacred script. And strenuously resists any change to it, come hell or high water.

In fact the TCI is simply a tool. But one grossly distorted and highly inequitable. And widely discredited. It is overdue for major overhaul to reflect the reality rather than IPART theory, with accurate TCI costs and with equity and fairness.

As several informed stakeholders have argued for several years.

Only when the most major glaring distortions of the TCI have been corrected, can taxi fares be reviewed objectively and accurately.

IPART claims that “.. its 2008 review was to establish a TCI that could be indexed each year [for the next four years] without significant annual revision.” Extraordinarily, it also claims that it “will not substantially reconsider the weightings of the TCI until a new survey is conducted.. .[ and]... that IPART will not bring forward the date of the next survey without assurance from all stakeholders that they would support this approach and accept the results it delivers” (IPART letter 20May09 p2).

Such assurances were never given by the NSW TDA, nor it is likely, by any other stakeholders. Indeed major stakeholders continue to be highly critical of major aspects of the TCI and the PwC survey results.

Apart from these extraordinary IPART claims and requirements, it is questionable that they are in any way consistent with any of the government Terms of Reference for annual reviews of taxi fares.

The TCI is not simply for the convenience of IPART, to be reviewed only when it suits the IPART bureaucracy.

As only one example, after much criticism, IPART rightly changed the TCI structure by removing notional driver ‘wages’ as an evidently ludicrous operator cost (because operators do not pay any moneys to drivers let alone ‘wages’), to be listed as a driver cost.

The TCI is in fact grossly distorted and highly inequitable in major areas.

- The operators costs are highly inflated and distorted since 2001
- Actual market Payins incorporating accurately all total operators costs have been ignored.
- Driver hours are clearly incorrect as submitted by informed stakeholders since 2007.
- Driver numbers per taxi are incorrect.
- Submissions on driver notional wages similar to bus drivers have never been addressed.
- Plate Lease costs of 13% of overall taxi costs have never been questioned.
- Cabcharge 10% fares surcharges have never been mentioned or questioned.
- etcetera

It is long overdue that the accuracy of the TCI principal costs components and their equity and fairness, be reviewed.

As has been clearly submitted by stakeholders but ignored by IPART for far too long.

Similarly, the 2007 PwC taxi industry survey is far from infallible. A number of its results were clearly wrong, criticised and changed, not only by stakeholders but selectively by IPART itself.

In IPART's own words :

“For the TCI to continue to accurately measure changes in the costs of providing taxi services in urban and country NSW, the weightings of the cost items need to be periodically reviewed to ensure that they reflect the costs faced by the industry.

While IPART accepts that PwC's methodology may not be perfect, ... However, where submissions made convincing arguments, or better information became available, IPART has adjusted some of the weightings accordingly.” (IPART 08 Final Report p14)

That correction process must continue whilst major deficiencies are evidenced, as they continue to be.

In a different vein, IPART claims that the PwC survey “provided an unprecedented amount of cost and operational information on which to base the TCI. ... Of the 1,767 responses received, over 80 percent were from drivers” (IPART 09 Final Report p7).

Indeed a good result, especially for the taxi industry. But to put that in a more modest statistical perspective, those 1414 (80%) drivers were in fact 8.3% of Sydney’s 17,000 drivers or only 6.4% of all 22,000 NSW drivers.

IPART’s TCI and the taxi model, is in need of drastic reform for accurate, fair and equitable inputs.

## **2.01 Falsely inflated operators costs versus Market reality**

The operator costs of the TCI, and hence official public taxi fares, are hugely distorted and inflated by information mainly fed in by the Taxi Council since 2001.

Taxi operators’ actual 2008 Market Payins are in fact almost \$30-40 (18-25%) below the \$165 IRC official maximum Payins derived from the vastly inflated theoretical IPART TCI costs. Those are extraordinary distortions.

As demonstrated irrefutably by the proof of actual Payins survey information tabled for the past two years by the NSW TDA (NSW TDA Submission 08, 09).

But studiously completely ignored by IPART !

Despite such information being available publicly, like Luther declarations pinned on the front doors of major taxi bases.

Why has IPART not collected this readily available hard data ? When will it finally do so ?!

The IPART theoretical operator costs bear no resemblance to the actual costs of operators as charged by the operators market Payins to drivers, daily, weekly and year round for the bailment (hire) of taxis. The market Payins by definition and of necessity cover ALL the real actual costs and profits of operators. Market Payins as much as \$40 and 25% below the IPART theoretical TCI costs, as demonstrated irrefutably by the Payins survey information tabled for the past two years by the NSW TDA to IPART.

Market information on real operators costs which for two years IPART has studiously avoided, except to claim – in another context - that “Market based pay-ins are not consistent across operators and may change over time depending on labour market conditions” (IPART 08 Final Report p83). It is difficult to take such a statement seriously ; of course market based pay-ins are not consistent across operators, that is called competition, although in fact they reveal a high degree of consistency. And the IPART preferred IRC payin figure changes annually, faithfully inflated further by IPART.

As a consequence of the grossly distorted TCI operator costs (as well as other TCI distortions) :

- The annual IPART fare assessments are grossly distorted.
- Has increased actual taxi fares to the public.
- Has disadvantaged the balance of the TCI at the expense of driver costs, to the degree that it may have inhibited objective IPART examination of higher, fair and equitable driver earnings ‘wages’ costs.
- And has distorted the important IRC regulatory maximum Payins so as to be useless and meaningless as its intended industry control mechanism.

Scandalously, the official IRC entitlements for holidays and sick leave are never paid to taxidivers.

IPART has been aware of these blatant cost evasions and the Taxi Council/TIA’s disgraceful lies for years to the IRC from the IRC Court Transcripts forwarded by the NSW TDA since 2007 (Appendix F).

Only one of Sydney’s 17,000 taxidivers is known to be paid entitlements.

Despite their universal evasion, IPART continues religiously to include entitlements as a major TCI taxi fare cost component.

Even with IPART's \$8113 pa (2008) entitlements added to the market payins, the market operators payins and actual costs are still a staggering \$20-30 ( 12-18%) approx below the IPART purely theoretical TCI operator costs and the resultant IRC maximum \$165 payins.

Calcs on market and IRC Payin differences (Appendix C) :

2008 Average	IRC max	Inner Sydney actual	Outer Sydney actual
weekly Payins (TDA Appendix p1)	<b>\$165</b>	<b>\$135</b> (\$30/165= <b>18% less</b> )	<b>\$125</b> (\$40/165= <b>24% less</b> )
		139	127
		133	126
		132	120

Adding IPART 2008 \$8113pa Entitlements =8113/52weeks/14shifts =\$11 per shift, say \$10	\$135 +10= <b>\$145</b> (\$20/165= <b>12% less</b> )	\$125+10= <b>\$135</b> (\$30/165= <b>18% less</b> )
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Correcting and reducing the TCI total costs of operators is long overdue but not radical :

- In fact it does not affect the operators' costs and market Payins in any way !
- It simply aligns the inflated IPART costs to the reality of the costs clearly evident in the market.
- Critically it potentially restores the mechanism of the IRC payins used for finely balancing the distribution of fare increases between drivers and operators.
- And affords scope in the TCI to increase the drivers 'notional wages' earnings.
- And /or the reduction of taxi fares to the public.

Why, under these circumstances does IPART continue to avoid these fundamental TCI issues ?

In the 2010 year of scrutiny, IPART's immediate responsibility is to reduce the distorted operators side of the TCI ledger by \$30-40 to bring them into line with market reality. Or, if IPART insists on including the phantom driver entitlements, then those TCI costs must still be reduced by 12-18%.

The NSW TDA has voluntarily for 2 years provided hard data on actual real market payins to IPART !  
Why have the IPART paid staff not gone out to obtain 10 or 50 or 100 or 1000 taxi payins data !?  
Where does IPART in fact stand in relation to the IPART CEO 12April2010 call for hard data !?

And to correct the several other major critical distortions of the TCI and the taxi model.  
That is IPART's responsibility which cannot await IPART's convenience for another 4 years.

## **2.02 Driver \$21/hour fair earnings ignored**

Driver earnings are deliberately depressed by IPART in the TCI.

IPART has bluntly avoided dealing in any detail with the NSW TDA submissions for \$21/hour similar to bus drivers in both 2008 and 2009 let alone in any manner objectively, openly and transparently.

The extraordinary twists and turns and contradictions in IPART's 2008 adoption of only \$16.95/hour are summarised :

- IPART has never addressed the submitted skill sets comparisons, nor the adequacy or fairness or equity of the NSW TDA driver remuneration submissions (Appendix B). Unlike its detailed justifications of some other costs, such as waiting time and its nonsensical "productivity" penalties on drivers and operators.
- Tellingly, IPART also dismissed its PwC consultant's recommended proxy of \$19.64/hour for similar bus and taxi drivers skills (IPART Report 08 p19).
- And has resolutely declined to apply IPART's own much vaunted "opportunity cost" such as for alternative occupation wages such as bus drivers. (Interestingly, a past Vice President of the NSW TDA has put IPART's "opportunity cost" into practice and is now a significantly better compensated bus driver to support his family.)

- Instead IPART simplistically preferred a vague suggestion from the anti-driver Taxi Council of a much lower rate from an IRC Downtime number of \$16.95/hour (IPART Report 08 p19). A suggestion from the TC Ltd which does not represent drivers or operators, but the interests of plate owners plus networks at the expense of drivers and operators.
- But IPART did not bother to establish the validity or provenance of this IRC \$16.95/hour rate. The IRC Downtime figure is in fact only part of a downtime payment formula which is considerably more than the simple \$16.95 number.
- The IPART claim of its independence from IRC sits uncomfortably with it accepting IRC figures uncritically at face value on fundamental TCI taxi fare costs issues.
- And is also at odds with both IPART's statement that "costs in the TCI should reflect its own view ... and not based on the IRC process .." and that "IPART continues to support the use of the opportunity cost approach in the TCI". But presumably not the opportunity cost of taxidrivers driving buses. (IPART Report 08 p22)
- Also in contradiction is IPART accepting the PwC 2008 proxy of a Clerical rate of \$22.76/hour for an operators admin time costs compared to rejecting the PwC \$19.64/hour proxy for drivers labour costs. (IPART Report 08 p30) These contradictions are even more stark when many operator /drivers earn a low rate for the more skilled and dangerous work of taxidiving and then a higher rate for their admin tasks.

A standard IPART reply has been that it is not their Terms of Reference to "regulate" hours and conditions. Agreed.

That however does not in any way diminish IPART's responsibility to decide on the "notional 'wages' costs" of taxidrivers as an integral part of taxi fares and increases (which in turn the IRC is dependent on), and which notional 'wages' must self evidently be meaningful, realistic, fair and reasonable and equitable.

In conformity with IPART's government granted Terms of Reference !

IPART statements and denials are highly contradictory and self serving.

On the one hand IPART states "For the TCI to continue to accurately measure changes in the costs of providing taxi services in urban and country NSW, the weightings of the cost items need to be periodically reviewed to ensure that they reflect the costs faced by the industry. ...

However, where submissions made convincing arguments, or better information became available, IPART has adjusted some of the weightings accordingly." (IPART 08 Final Report p14)

But on the other hand states that issues raised that "drivers receive less than the 'notional hourly wage' and leave entitlements incorporated into the Taxi Cost Index" are factors "outside the scope of the fare review" (IPART 2008 Final Report p9).

And also claims in complete circularity and self justification that "the available [admittedly inadequate] information for urban taxis suggests that fares are currently set at a level that should recover the reasonable costs [as determined by IPART] for a typical taxi operating efficiently" (IPART 08 Final Report p78).

The \$21 /hour is a central issue, but only one of many addressed by stakeholders, the NSW TDA and in other submission.

Disturbingly, the detailed \$21/hour concerns raised for 2 years and in the 3May09 NSW TDA letter, were dismissed by IPART asserting that "in reality it appears that you simply do not agree with all aspects of the outcome of IPART's processes", namely being a 'poor loser' (IPART letter 20May2009 p2).

That is thoroughly unprofessional, demeaning and insulting. And without a shred of IPART evidence.

Indeed the wide range of issues of the submissions suggest the contrary.

It is strongly suggested that it would be prudent for IPART to withdraw this most unfortunate remark unreservedly in the interests of relationships going forward.

An uncomfortable question arises why IPART has uncritically adopted the anti-driver Taxi Council's suggestion for lower driver earnings whilst dismissing its own PwC consultant together with pointedly ignoring NSW TDA submissions on higher minimum driver 'wages' costs, both based on comparable or superior skills to bus drivers? (IPART Report 08 p19)

It cannot fail to be noticed that in doing so the driver earnings are depressed in favour of astronomically inflated amounts elsewhere in the TCI and totally uncontrolled amounts for plate lease fees, Cabcharge fares oncosts, etc.

In other forums and the Parliamentary Inquiry, the apparent submissiveness of Transport & Infrastructure (ex MoT) in certain respects has been referred to it 'being captive' to the taxi industry 'mafia'.

The question may arise whether IPART also has become captive.

And given the huge costs discrepancies on one side of the TCI ledger and the constant refusal of IPART to actually address equitable driver earnings and other fundamental issues, it may not be too strong to repeat another stakeholder's question whether "the TCI has an anti-driver bias"? (IPART 09 Report p59)

### **2.03 Distorted taxi hours/shifts/weeks/ per annum**

Further fundamental distortion of the TCI and average fare assessment is due to IPART continued insistence on a demonstrably false "taxi model" and impossible hours of operation of taxis critically affecting the assessments of average annual driver 'wages' costs. IPART refuses to reconsider these fundamental issues despite detailed submissions in 2008 and 2009, justifying its reliance on the clearly erroneous 2007 PwC survey and no further changes until the next 5 year survey (IPART letter 20May2009 p2).

The NSW TDA and other stakeholders have submitted repeatedly that the self evidently incorrect PwC hours are logically impossible and economically and practically unsustainable :

- IPART disgracefully refuses to directly address the logic that 9 hours average per shift is an impossible falsehood. Direct arithmetic logic dictates that as numerous desperate drivers work the full 12 hours per shift, then similar numbers must only work 6 hours per shift to strike the IPART average. And 6 hours per shift is a total utter impossibility which does not exist in the taxi industry as everyone except IPART knows.
- Nor can any operators survive on 10 shifts average per week as IPART maintains. The same arithmetic logic applies that as most operators, of necessity, manage to find drivers for 12 to 13 shifts, therefore similarly large numbers only operate their taxis for 7 or 8 shifts which is more IPART nonsense and irrational stupidity.
- Finally IPART defends the idiotic nonsense that drivers and operators run taxis 52 weeks pa by referring to a lack of "other evidence from stakeholders" (IPART letter 20May09 p2).

And IPART in knowingly using these distortions to then justify adequate annual driver and operator earnings is bordering on fraudulent (IPART Report 08 p82).

It is in fact IPART that is derelict professionally in not obtaining such evidence as is its responsibility. Evidence available from all radio Networks which log in every taxi for every hour and every shift worked. And with which IPART could readily accurately correct this fundamental distortion in the TCI. Why has IPART failed to access this critical information years ago ?



### **2.04 Impossible Number of drivers per taxi.**

Further fundamental distortion is carried through from the false 10 shifts per week into the IPART “taxi model” which therefore assumes two drivers per taxi . The whole taxi industry knows this is laughable.

As a result IPART’s \$79,326pa TCI total driver ‘notional wages’ costs per taxi then presents a misleading picture of \$40,000pa earnings for each driver (IPART Report 08 p22).

It is an established industry fact, as stakeholders have repeatedly advised but which IPART ignorantly continues to reject, that the majority of bailed cabs deploy 3 to 4 drivers per week to be economically viable for 12 to 14 shifts per week.

For approx 3 drivers therefore the \$79,326pa presents the truer dismal picture of \$26,500pa earnings for each driver. IPART’s picture is highly misleading !

The number of drivers per taxi each week can be readily, precisely and irrefutably ascertained from the radio networks’ daily, weekly and annual taxi log records.

A recent suggestion that IPART cannot obtain such data is unbelievable. The recently appointed Director General of T&I has been all over the media flaunting his new taxi industry data base. It defies belief that IPART cannot get simple network computer printouts via T&I and analyse this data for both 2.03 and 2.04 above as well as other TCI issues.

Why does IPART continue to fail to do so and fail to correct the critical TCI ?

### **2.05 Huge unquestioned unearned worthless Costs Increases of Plate Leases**

It is not recalled if IPART has ever critically questioned, let alone taken action on the huge costs to the public and the industry of taxi Plates which contribute nothing constructive to taxi services.

Plates that once upon a time cost nothing.

How can IPART ignore this?

Namely the great Plate Lease Rort which adds the huge “13% to the overall cost of taxi services” (IPART 09 Report p21). Which adds millions to the costs of taxi fares paid by the travelling public each year. Which adds almost 30% to operators costs in the IPART TCI (IPART 09 Report p8).

And which requires the drivers of every cab to collect \$28,600 annually before making a cent for themselves.

Costs for doing absolutely nothing ! Costs which do not benefit the taxi industry in any way, which contribute nothing to the service to the public, and which only line the pockets of parasitical vested interests and absentee investors who have no interest in the taxi industry.

The great Plate Lease Rort has been highly organised and successful for many years.

It is not a market in any normal sense.

It is an unregulated artificial private “investment” monopoly controlled and manipulated by the taxi mafia. Each year the TC Ltd ‘fattens the turkeys’ by arguing for increased operators costs in IPART, formalised in IRC , and then once or several times per year, the taxi Networks owning and managing the bulk of taxi plates, ‘pluck the turkeys’ by unilaterally raising the Lease fees payable by taxi operators. And hence directly increasing the revenue and value of the Plates.

Astonishing Plate costs increases of 20%+ each year from \$291,614(2007) to \$352,839(2008) to around \$415,000 currently, with Lease costs increases from \$24,868(2007) to \$28,600pa currently ! (IPART 08 Report p46).

Increases totally unregulated and over which no government or authority has any control !

Unearned annual increases in Lease fees, fed into taxi costs and fares, a huge 8.2%pa, which IPART each year supinely accepts, condones and formalises on information provided from those same taxi mafia Lease manipulators. (IPART 09 Report p21) (IPART letter 20May09 p3)

An artificial parasitic monopoly system feeding off the industry so secure that :

- Plates returns at 7.5% approx are way above, with “no clear relationship ... to other forms of investment”. (IPART 09 Report p22)
- That Plate values did not even tremble when all other 2009 GFC investments fell dramatically worldwide ! (IPART 09 Report p23) Assigning IPART’s “opportunity costs” in reverse would see Plate values and returns and taxi fares plummet.
- That IPART Lease costs increases jumped a stunning 10.1% and 8.2% in the past two years, 2 to 3 times in excess of all other costs inflators (IPART 08 Report p45, 09 Report p21).

A giant Plate Lease rort controlled by the taxi mafia for the sole benefit only of the mafia monopoly and passive and overseas investors.

And an abrogation, surely, of the IPART Terms of Reference ?! In particular (IPART 08 Report p51):

- i) the cost of providing the services concerned;
- ii) the protection of consumers from abuses of monopoly power in terms of prices, ...
- iii) .... to reduce costs for the benefit of consumers;
- vi) the social impact of the recommendations;

Recently in late 2009, the NSW Government passed a bill which changed its practice from selling new Plates to issuing Leases for new Plates. Potentially this is a revolution in the great Plate Lease Rort system. The Plate Lease Bill stated aims are to reduce the reliance on the capital costs of Plates and to encourage customer service conscious driver owners rather than passive investors.

Whether this Bill achieves its stated ambitions will depend critically on the details of its implementation by the Government Department of Transport and Infrastructure.

Astoundingly however, IPART in its 2010 Discussion paper has failed to mention these potentially revolutionary new Plate Lease procedures.

Surely in 2010, under its Terms of Reference IPART has a public obligation to examine the implications of the new Bill and Plate Lease procedures ? And to advise on possible measures to contain, minimise or eliminate these parasitical costs in keeping with the stated aims of the new Plate Lease Bill.

And in keeping with IPART ‘s explicit Terms of Reference, surely ?

## **2.06 Unquestioned Usury 10% CabCharge fares oncosts**

In the 2010 year of taxi industry scrutiny, why has IPART not put the spotlight on the outrageous 10% paid by passengers on top of possibly 60% of all taxi fares which are not cash payments?

Each year IPART totally ignores the usurious 10% surcharge by CabCharge, whose chairman is the generally recognised head of the taxi mafia, levying multi million dollar annual imposts on taxi fares and the public.

Surcharge levels universally disputed and which bear no possible relationship to their costs of operation. Surcharges vastly in excess of those of banks for similar transactions.

Huge Cabcharge oncosts on fares directly bearing on the IPART TCI as administrative costs to drivers and operators as well as direct oncosts to the public.

But without any compensation from CabCharge for the labour of the taxidrivers (whose time is literally money, unlike salaried employees) in collecting, explaining and processing each and every one of these payments.

Whereas Networks have traditionally taken a cut as docket processing centres, and where a small number of new Eftpos providers are now offering drivers a portion of the 10% surcharges.

Despite the windfall gains to Cabcharge with every IPART taxi fare increase, it is a glaring omission from the annual IPART assessments of taxi fares. The pending ACCC case against Cabcharge did not constrain the Parliamentary Hearings, nor should it give IPART any excuse.

It's Terms of Reference, such as for Plate Leases above, would appear to permit IPART to investigate. Notwithstanding the Friday 10 April 2010 Stateline report, why is IPART ignoring these vast additional costs to the public despite its Terms of Reference?

### **2.07 Irrational Washes, GST, Profits and so on**

The list of deficiencies and distortions of the TCI and the taxi model goes on and on.

Some tend to fall below the radar from year to year.

Taxi washes as a driver cost are correctly included at \$10 each, but arbitrarily assumed without firm evidence by IPART at half the nightly washes. A halving contrary to the convention (not IRC but possibly T&I Regulations) that taxis are to be washed each day. This reduced sum is then further (wrongly) halved by IPART between the erroneously assumed 2 drivers per taxi.

It is no wonder that stakeholders are losing patience with IPART.

In similar fashion IPART assumes a minimal 2 hours per week driver admin time. That is some 20-25 minutes per shift which may be reasonable for each driver in normal shift changeovers completing worksheets, totalling fares, eftpos receipts, payin etc (but excluding accident reports, downtime claims, reports, etc).

IPART costs this time at driver 'wage' rates, not ops admin rates.

But then halves this between the erroneous 2 drivers per taxi. Really !

The legal requirement for GST payable by all taxi drivers and operators is not included by IPART as a taxi cost in the TCI (IPART 08 Report p79). Stakeholders have argued for years against this IPART omission. IPART "acknowledges that the treatment of GST has implications for both the weightings included in the TCI and the level of fares compared with the level of costs", but that "it is not straightforward" (IPART 08 Report p83).

Surely it is not too difficult to make reasonable assumptions and allowances for GST ?

While the TC Ltd /TIA arguments for advantage in IRC that bailee drivers as small businesses are disputable, there is no question that operators do run small businesses. There appears however to be no provision by IPART for a profit component in the operators costs as is normal in all business costs.

Why ever not ?

## **3.00 2010 TAXI FARE MATTERS**

The following relate to questions raised in the IPART Discussion paper on fare reviews for 2010.

### **3.01 Airport Flat fares**

Apart from being a time consuming distraction, and it's objectives being unclear, the proposed Flat Airport Fares have opened a complex can of worms.

Any intended advantages of simplicity, clarity and certainty for passengers from the City to the Airport seem to have been answered in the negative by the able assessments in IPART's own Discussion Report. And as per the comments at the IPART public hearing, where the acting Chairman pronounced those present to be unanimously against proposed Flat Airport Fares (Transcript 12 Apr 2010 col37 line30-32).

The existing meter system works well without the need for complications.

### **3.02 TTSS**

In the TTSS disability scheme, the government pays a 50% subsidy up to a max of \$30 for a \$60 taxi fare. This government subsidy totalling only \$22M pa has applied for several years despite taxi fare increases. (IPART 09 Report p 37, 38)

To relieve the burden to a degree, and in the absence of other reforms, it is suggested that for the occasional taxi fares now in excess of \$60, it would seem fairer and more reasonable for disabled persons to pay a maximum of \$30 and for the government to pay the balance of those fares within Sydney.

Such TTSS journeys are unlikely to be frequent and therefore not a big increase in government subsidies.

An IPART recommendation to this effect would seem appropriate under its Terms of Reference ; vi) the social impact of the recommendations and viii) the effect of any pricing recommendation on the level of Government funding.

### **3.03 Superannuation**

The IPART 2009 initiative in provisioning superannuation is welcomed.

It is requested that IPART ensure that its 'self funded' and 'employer' funded driver super be structured such that it may in practice be processed by the taxi operators, in keeping with the IPART approach "to assist with the IRC process" (IPART 09 Report p7) and in keeping with the IRC 2005 determination in this respect (Connor C, 04/05/2005, File Number 4181 of 2003).

Personally, it seems that driver super payments as an 'employer' admin responsibility by the operator is perhaps the most definite and secure procedure, provided it is policed properly.

(It is noted that the superannuation industry is itself under current reform scrutiny, including industry funds, and suggestions for monthly instead of quarterly super payments.)

### **3.04 Pre Payment of fares**

Pre Payment of taxi fares is currently being trialled by the NSW government on the Central Coast of which IPART appears to be unaware in its Discussion Report. The Vic government introduced a system of Pre Payment of taxi fares which is now reportedly well accepted.

In the interests of minimizing driver earnings losses from runners, not to mention the "loss of productivities" due to the potential loss of taxidriver lives and injuries, it would be responsible for IPART to robustly recommend the advantages of Pre Payment of taxi fares. Pre Payment of taxi fares should be day and night to normalize the system, like bus and train fares, and to minimize complexities.

### **3.05 2010 increased taxi fares not needed ?**

Only when the most major glaring distortions of the TCI have been corrected, can NSW fares be reviewed objectively and accurately.

Present fares levels are so inflated by some IPART TCI components that they are likely to be able to absorb some or all of any suggested 2010 increases.

Consequently, and contrary to the IPART Discussion paper it may not be necessary to increase taxi fares in 2010.

### **3.06 LPG fuel**

IPART's initiative on LPG fuel appears sound. Perhaps mid year LPG reviews need only be conducted if price volatility warrants it.

## **4.00 IPART - GOING FORWARD IN 2010 ?**

That IPART continues to progress and improve is essential to the taxi industry and the NSW public. And for IPART !

To achieve this IPART must recognise and acknowledge the problems it faces, organise to improve matters and progress beyond them.

### **4.01 IPART CEO CRITICAL CALL FOR BETTER DATA AND INFO !!**

The public clarion call by the IPART CEO acting Chairman on 12April2010 is seen as hugely important. Namely "that IPART should have better information than it now has" and that "What we need is an accurate objective representative information base" (Transcript col23 lines 20-27 and col46 lines 44,45) That call is undoubtedly supported by all stakeholders and participants.

It may be the critical circuit breaker that is needed to help resolve the litany of problems listed. It may be the trigger needed for IPART to re-examine its procedures to achieve better data and information that is critical to its investigations and fare reviews.

And which is critical to restore IPART's credibility and support from stakeholders.

The CEO call may renew efforts to urgently achieve better data and information. It may mean the abandonment of selectively relying on the faulty PwC survey against all odds. That IPART will no longer insist on waiting for the next survey before considering change. It may mean accepting that IPART follows the data leads suggested by stakeholders. It may mean that IPART accepts temporary reasonable compromises from knowledgeable and experienced stakeholder comments until obtaining the hard data.

IPART's total reliance on PwC survey results has with hindsight regrettably proven to be misguided. Despite IPART's apparent keenness for another major survey, it should consider abandoning that quest and instead turn to much more reliable hard data such as extracted from radio network logs. Important data such as the number of jobs per shift and hours of dead time, or occupied, should also be available in addition to the critical data referred to above.

The suggestion that IPART cannot obtain such data defies belief. The recently appointed Director General of T&I has been all over the media boasting of his new taxi industry data base. It is unbelievable that IPART cannot get simple network computer printouts via T&I and analyse this data for both 2.03 and 2.04 above as well as other issues.

The CEO call will hopefully mean the long overdue revision of the erroneous taxi model and distorted TCI costs.

Regrettably the response to the 18April2010 letter requested before 30April has not been received and has therefore not been able to be incorporated into this submission.

It will hopefully also lead to consideration of improved IPART procedures and processes, such as the recommendations below.

The following are recommended to assist IPART to do so.

### **4.02 IPART revisions to Taxi model and TCI and hard data sources.**

Flowing from the IPART CEO call for long overdue critically important information and hard data, the IPART Taxi model and the TCI should be urgently amended. The following lists such issues from this submission which may be by no means comprehensive. Data sources are also listed.

Taxi Model.

2.03	revise incorrect taxi hours/shifts/weeks/ per annum	(Hard data from networks)
2.04	revise impossible Number of drivers per taxi.	(Hard data from networks)
--	number of trips per shift per driver	(Hard data from networks)
--	dead time duration per typical shift	(Hard data from networks)

Taxi Cost Index.

## Driver Costs :

2.02	driver \$21/hour fair earnings	(Equitable as for bus drivers)
2.07	include daily taxi Washes, include GST	(as per industry standard) (as per ATO requirement)

## Operators Costs :

2.01	reduce Falsely inflated operators costs by 12-40%	(hard market data ex operators)
2.07	include GST include Profit component	(as per ATO requirement) (standard business practice)
2.05	reduce unearned worthless Plate Lease costs	(IPART T.o.R. responsibility)
1.03	defer irrational driver & ops "productivity" penalties	

Also :

2.06	reduce Usury of 10% CabCharge fares oncosts	(IPART T.o.R. responsibility)
1.04	include Glossary of accurate industry definitions	(simple industry consensus )
1.05	include 'Box 2.2' public industry information	(simple industry consensus )

The impact of such changes on the Taxi model and TCI are likely to be dramatic and problematic. An accurate Taxi model and TCI is however IPART's first responsibility under its Terms of Reference. And to re-establish its credibility.

Once a revised Taxi model and TCI are more accurately established, then approaches can be discussed as to how these are best implemented, such as in steps, with minimum disruption to the industry and the public.

**4.03 IPART to answer openly and frankly**

A first step is for IPART to answer each and every one of the issues and questions raised in this submission and those of other stakeholders. Openly and frankly. IPART's responses numbered as per this submission would facilitate considerations of the IPART replies by stakeholders.

And to be followed by a major round table with stakeholders to comprehensively discuss, clarify and agree on approaches to the taxi model and TCI issues raised.

**4.04 IPART to correct all major TCI distortions this year.**

Following on 4.01 for IPART to correct all major taxi model and TCI distortions.

It is considered that this should not be delayed and that it need not wait till next year.

It should be possible to amend most of the major taxi model and TCI distortions. And for those issues for which it proves difficult to obtain hard data immediately, to use pro tem proxies and agreed assumptions.

If such urgency is a shock to IPART, then it needs to bite the bullet. The time for further prevarication is long over ; stakeholders have been losing confidence. These issues have dragged on for too many years. There is no excuse for longer delay while these distortions continue to prejudice and disadvantage the taxi industry and the public.

#### **4.05 IPART Reports and Submissions : education /mutual understandings /expediting info exchanges.**

Unquestionably, IPART's biggest and most difficult hurdle is its lack of experience of and knowledge of the taxi industry.

As done to date, the taxi industry and main stakeholders will hopefully continue to be prepared to initiate and educate (for free!) IPART into the arcane secrets, mysteries and convoluted practices of the taxi industry as affecting IPART fare reviews – (as well as IPART taxi industry regulatory reviews, for which much longer and more detailed lead up preparations will be needed).

The annual submissions /reports are the mechanism for this. But, as noted, this a cumbersome and delayed process, which does not permit easy rapid exchanges of information and opinions and which by definition has an almost one year delay between Final Reports and the next submissions.

In particular, (mutual) misunderstandings, misinterpretations and misstatements by IPART in its final reports, then languish until the next year. And are then likely to be overlooked in the next round of fare reviews with the result that IPART may feel that it was correct in those misstatements. The same of course applies equally to stakeholders misunderstandings.

A very cumbersome and highly inefficient, erratic process.

#### **4.06 IPART Discussions : education /mutual understandings /expediting info exchanges.**

The much more effective process is that of dialogue ; intermediate informal open discussions.

As excellently initiated by IPART in 2008. But which are few and have seemingly become more difficult for IPART to undertake.

Informal staff /stakeholder discussions are far superior and effective mechanisms for :

- educating IPART staff by exchanges of information,
- eliminating misunderstandings, mutually, and explaining essential understandings simply,
- consequently improving the calibre and relevance of both submissions as well as Reports,
- expediting the important process of education, mutual understandings and possibly agreements far more quickly and efficiently than the annual reports process.

For these reasons, it is suggested that more frequent, regular open discussions are highly desirable, initiated by IPART or as requested by the industry and public, and be held regularly :

- in the lead up to IPART Draft or Discussion papers
- prior to submission due dates and
- prior to Final Reports and
- after Final Reports before the details fade into oblivion in the intervening year.

#### **4.07 IPART Round Table discussion.**

Given the large number of matters arising in fare reviews, consideration should be given to a major annual discussion. A round table or clearing house or review dealing comprehensively with the totality of the IPART approaches and reports. And not necessarily arguing the issues, but sorting out the many misunderstandings, misinterpretations and misstatements by IPART in its final reports, as well as those of stakeholders and their submissions. And enabling a smoother process for all in subsequently arguing the submission issues.

Such a major review could be conducted soon after a Final Report while that year's issues are still fresh in stakeholders and IPART minds. Alternatively, a clearing house discussion could be held prior to the commencement of the annual fare review process and in preparation for it. There is no doubt that such discussion will benefit IPART. And undoubtedly the stakeholders as well.

#### **4.08 IPART Tribunal hearings ?**

IPART public hearings are appreciated. Albeit that their purpose is not very clear.

If it is to provide the Tribunal members with insights into the taxi industry, then they should be held much more frequently. If it is to provide a media opportunity then stakeholders should be advised.

If they are a demonstration of IPART 'openness' then they are a failure.

What is evident to date is that public hearings do not appear to materially influence the inadequacies of the IPART procedures referred to in this submission.

#### **4.09 IPART Advance notifications.**

It is recommended that IPART seek suggestions well in advance for agenda issues for discussions and reports, as well as not to discontinue the practice of draft and final reports.

The IPART 2010 Discussion paper was severely restricted. Several matters considered by stakeholders to be important were either overlooked, not recognised or deliberately omitted. To the dismay of stakeholders issues such as new Plate Leasing procedures, fares Pre Payment and taxi fleet productivity improvements were omitted. Other issues of public and industry importance may have been stifled. It will be interesting to see if IPART will deal with such issues following the 12April2010 public presentation.

Seeking agenda suggestions from stakeholders is a very simple procedure to improve the effectiveness of IPART fare reviews.

The practice of draft reports is desirable as it provides a more extended program for exchange of opinions and comment improving important mutual understandings. It is perceived that IPART isn't always keen on this process and of course it is hugely more time consuming for stakeholders to participate in.

The need for a draft /final 'dialogue' is reduced if the much more effective and efficient informal discussions as suggested above are implemented.

#### **4.10 IPART Simplified Reports**

The primary readership of IPART reports is neither accountants nor economists, but the taxi industry and the public. Reports should be targeted and simplified accordingly.

The readership of stakeholders and the public should not have to expend the huge unnecessary efforts required to digest them. Stakeholders must be able to find and respond readily to the important issues.

Much of the IPART prolix reports should be improved and simplified : much of the repetition removed; the number of tables reduced and many integrated; more matters referred to appendices; the contents comprehensively indexed with all subheadings to facilitate access; superficial phony sophistications such as "weightings" eliminated in favour of straightforward "costs"; improved cross referencing; etc, etc. IPART reports should be substantially improved. Starting 2010.



## 5.00 Summary.

This submission is honest and open and frank.

It does not pull any punches.

It will withdraw any incorrect assertions.

It says it as it sees it from several years of direct dealings with IPART.

It expresses concerns and frustrations of many major stakeholders.

It is expected that IPART will respond with equal honesty, frankness, openness and transparency.

It must do so to salvage its credibility.

And the continuing support of stakeholders.

The 12April2010 clarion call of the IPART CEO for better information and data is most timely.

Hopefully it is a wakeup call.

IPART must get on the front foot.

It must not rest on its laurels and the 2007 PwC survey and revised TCI. Far from it.

It must start addressing all the matters and issues put to it. Frankly, openly and transparently !

IPART must acknowledge and correct, or temporarily modify with proxies and well founded assumptions, the blindingly obvious incorrect factors in the taxi model and the TCI.

It must abandon its selective defence of the PwC numbers when they are clearly wrong and adopt better data. IPART must abandon its dogmatic but highly selective reliance on the PwC survey numbers.

It must urgently obtain hard data in preference to PwC survey numbers where sources are known, as advised and provided by stakeholders.

In the interim it should adopt the informed information from highly experienced stakeholders.

The integrity and credibility of IPART rests primarily on rigorous, credible data and analysis.

IPART continues to deny at its own risk.

The submission suggestions are to assist IPART.

They are made constructively in good faith.

They are expected to be responded to in equal good faith.

The confidence and support of the taxi industry is essential to IPART.

If industry stakeholders lose their patience and confidence, they can resort to other means.

As was close to eventuating over the Harbour Bridge return Toll episode.

At IPART's expense.

Finally, it's principles of openness and transparency, together with accuracy, fairness and objectivity are IPART's saving grace in its difficult task with a difficult taxi industry.

Failing openness and transparency, IPART descends into the murky waters of parts of the taxi industry.

In the year of 2010 scrutiny, the criticisms, comments and recommendations of this submission are made frankly, openly, transparently and constructively in the interests of improved IPART performance to the benefit of the taxi industry and the NSW public.

Ted Hirsch

Member NSW Taxi Drivers Association

30 April 2010

**APPENDIX A 18APRIL2010 LETTER TO IPART CEO re DATA and INFORMATION**

Mr James Cox,  
Chief Executive Officer

Independent Pricing and Regulatory Tribunal of New South Wales  
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18 April 2010

Dear Mr Cox,

**THE NEED FOR IPART AND THE INDUSTRY TO COOPERATE ON A BETTER TAXI INFORMATION BASE**

This is an open letter further to the 12 April 2010 public hearing.

Thank you to the Tribunal members for your time and the opportunity to make comments at the public hearing on 12 April 2010.

Congratulations on your greatly appreciated open and frank remarks at the IPART public hearing.

Remarks which are of fundamental and critical importance to the IPART review process. And for your call on the continued cooperation of stakeholders such as the NSW TDA and others.

Indeed, comments arguably more fundamental and important to the IPART fare reviews than the presentation agenda items. Namely “that IPART should have better information than it now has” and that “Everyone in the industry needs to cooperate in getting a better information base”, as per your initial comments (Transcript col.23 lines 20-27) and your concluding remarks and clarifications (Transcript cols. 46, 47 lines 9-45 & 12-41 below), specifically :

9 CONCLUDING REMARKS

10

11 THE ACTING CHAIRMAN:

... ..

26 Perhaps it is just worth saying, reflecting on today,  
27 that I have no doubt that IPART should have better  
28 information than it now has. But it is not just IPART's  
29 job; it is the job of everyone in the taxi industry to  
30 create a situation where that happens. I think we can  
31 make progress on that. It will not be done overnight  
32 and it won't be done by June but it is a worthwhile  
33 objective.

... ..

44 ... . What we need is an accurate  
45 objective representative information base –

... ..

2 THE ACTING CHAIRMAN: -- not comments but real  
3 evidence. We need to work towards that and I would suggest  
4 that it will take a year or so, possibly longer, to get there.

... ..

12 Everyone in the industry needs to cooperate in getting a  
13 better information base.

... ..

31 THE ACTING CHAIRMAN: I am not saying it is not our  
32 responsibility. I think it is everyone's responsibility.  
33  
34 MR HIRSCH: Everyone's responsibility or a request from  
35 IPART to try and assist IPART?  
36  
37 THE ACTING CHAIRMAN: The second of those parts.  
38  
39 MR HIRSCH: The second?  
40  
41 THE ACTING CHAIRMAN: Yes.

Please be assured that I and undoubtedly most stakeholders strongly agree with your comments on the need for an accurate objective representative information base.

And on the desirability of everyone in the industry to cooperate in this.

The need for accurate data and information is absolutely essential in what is a secretive and much more complex and byzantine taxi industry than would appear on the surface.

The process on how to obtain this information is critical to the calibre of IPART fare reviews.

And hence to the public and stakeholders.

As per your responses to questions in the Transcript, it is therefore confirmed that it is critically "IPART's professional responsibility" to get a better information base. It is not the industry's responsibility to obtain such information, but very importantly and understandably it is requested that the industry and stakeholders make every effort "to try and assist IPART" in that endeavour.

This is important as it goes to the heart of some past and present criticisms of IPART's performance.

The fact of the matter is that stakeholders have presented IPART with several lots of information and with several sources of hard data, but to date IPART has not availed itself of these.

In all submissions of mine, of NSW TDA and no doubt other stakeholders, every attempt is made to be accurate. And where this entails criticism of IPART to be also objective and fair (with praise where warranted). This applies to the critiques in my 12 April 2010 tabled paper of which the verbal presentation was an extract.

In it there are several issues which relate directly to your comments concerning a better information data base and the collection and provision of such information. The following section headings of the 12 April 2010 paper refer ;

- 1.04 Glossary
- 1.05 Box 2.2
- 2.01 Falsely inflated operators cost versus Market reality
- 2.03 Distorted taxi hours/shifts/weeks/ per annum
- 2.04 Impossible Number of drivers per taxi.
- 2.02 Driver \$21/hour fair earnings ignored
- 2.05 Plate Leases ; Huge unquestioned unearned worthless Costs increases
- 2.06 Cabcharge 10% Usury
- 3.04 Pre Payment of fares

## **AVAILABLE INDUSTRY INFORMATION**

### **Correct Glossary industry definitions**

The necessary 1.04 Glossary corrections to critical IPART TCI definitions were provided in detail and at great time sacrifice to the NSW TDA. Together with the suggestion of its simple efficient consensus confirmation by major informed stakeholders. In goodwill this key information was handed on a plate to IPART in 2009.

This goes straight to your apt comments and the only question remaining is why has this critical information not yet been verified and published by IPART.

### **Open and frank industry information**

Similarly, 1.05 Box 2.2, comprising complex and difficult to compile information about the taxi industry, is a huge voluntary time and effort contribution by NSW TDA to IPART's knowledge bank and to IPART's policy of openness and transparency. It also was suggested to be simply verified by knowledgeable stakeholders.

The Taxi Council's concurrence with the Parliamentary Hearings for the public need for clear industry information is again noted.

In view of your remarks, having been provided this valuable information on a plate, why without reason has IPART in its extended 2009 Box 2.2 declined to publish most of the key information ?

## **TAXI COST INDEX - AVAILABLE CRITICAL DATA**

### **TCI Accurate operators costs**

2.01 "Falsely inflated operators cost versus Market reality" goes to the heart of the accuracy and reliability of the TCI costs of fare reviews and to your comments on 12 April 2010. It exemplifies the first and foremost concern of the NSW TDA (and other stakeholders) for the fundamental accuracy of the TCI. For two years running the NSW TDA voluntarily collected and submitted hard data on operators' actual market Payins which clearly demonstrate they are much lower than the IPART TCI theoretical costs and the directly related IRC maximum average weekly Payins.

As per the detailed tabled presentation, this data is so greatly at variance with the IPART TCI that it could obviate any proposed fare increases for 2010. But would not reduce actual market Payins.

However, this data has never been acknowledged, let alone acted upon by IPART. Why?

Actual hard data on market Payins covering all operator costs is irrefutable and far superior to and more accurate than the IPART theoretical operator costs assumptions, is readily available and unlikely to be contradicted. It is also self evidently far superior to any 5 yearly surveys.

It is simply obtained, often posted on the front door of taxi bases.

A single IPART staff member would readily collect this hard data from hundreds of taxi bases, etc. in 2 or 3 days.

As per your clarifications, it is IPART's professional responsibility to obtain such data for "a better information data base" and a critically important accurate TCI.

The NSW TDA has acted over and above its duty and beyond being "requested to assist" by voluntarily providing this critical and superior data as well as demonstrating its availability.

The question after two years remains; why under IPART's professional responsibility to get a critical better information base has IPART failed to obtain this data and correct these major TCI distortions ?

### **TCI Accurate taxi hours/shifts/weeks/per annum data**

Similarly, 2.03 Distorted taxi hours/shifts/weeks/ per annum, is also a serious distortion of reality and the reliability of the TCI. The NSW TDA and other stakeholders have explained this and argued the inaccuracy and irrationality of the IPART PwC based assumptions and advised IPART of the radio networks computer record sources for definitive data.

Precise hard data is available from all radio Networks computer records which log in every taxi and driver for every hour and every shift worked each year.

And with which IPART could readily accurately correct this fundamental TCI distortion.

What is IPART doing to meet its responsibilities in this regard ?

### **TCI Correct Numbers of drivers per taxi data**

Precisely the same comments apply as for the preceding paragraph.

And as per your 12 April 2010 comments, the identical question also applies; what is IPART doing to meet its responsibilities in this regard to obtain this important data to correct the TCI ?

All the above matters fall directly into the category of “better data” as per your comments. Each is also a direct example of the needed industry assistance you referred to, voluntarily in several instances without even being requested, in providing and /or sourcing important information or data. Each however begs the question of IPART fulfilling its professional responsibilities in this regard.

The last of the issues listed, 2.02, 2.05, 2.06 and 3.04 were detailed in the 12 April 2010 tabled paper. They are of a somewhat different nature in terms of data provision to IPART and need not be discussed at length at this point, unless you wish otherwise.

Each involves information which is and has been available from government sources since before Xmas and this January and upon which IPART seemingly could have proceeded and acted.

The 12 April 2010 presentation queried what is IPART doing to promptly meet its responsibilities in this regard.

### **IPART DATA REQUIREMENTS AND TIMINGS**

Two questions arise from your remarks on the need for an accurate objective representative information base.

Firstly, IPART needs to make clear what data and information it considers necessary and with which it would appreciate assistance in obtaining it.

Stakeholders are aware of some needs such as driver incomes /earnings.

However in seeking the industry’s goodwill assistance, IPART should list the data and information that is required, so that stakeholders can try to respond.

In this regard it is suggested that an Appendix would be valuable with a listing of all info /data needed, provided, obtained by whom, when and with notes on its nature, purpose, use, confidentiality, deferral, etc. (Like the useful, open and informative initiative by IPART of the 2009 Appendix summary of stakeholder issues raised and IPART’s responses. And the 2008/9 Appendix list of submissions. )

The second question is related.

Namely your statement that “It will not be done overnight and it won’t be done by June ...” which is not entirely agreed with at face value. The main stakeholders do not want to suffer any delays of the IPART fare reviews which affect primarily the operators and drivers and the public.

As above, several of the issues for which data /information have been provided have remained dormant for two years because of inaction by IPART despite its annual responsibilities under its Terms of Reference and operational policy of openness and transparency.

That seems unnecessary, surely, and is certainly unacceptable to stakeholders.

Regular IPART excuses about no TCI reviews after 2008 and until the next 5 year survey, etc are in turn irrelevant to the existing superior existing data /information available, unacceptable to stakeholders and, it would seem, outside IPART’s government granted Terms of Reference.

There appear to be no valid reasons for not processing several of the above data issues and correcting critical TCI distortions by this June, 2010.

Although perhaps less urgent, the issues at 2.02, 2.05, 2.06 and 3.04 above and others should not have to be delayed. The IPART Discussion paper Ch 2 pages 4-5, lists matters to be dealt with ‘in the future’, but again it is not clear why, as in some cases relevant information has been available for months.

This is notably the case with the new Plate Lease Bill and T&I Lease procedures which have direct major impacts on driver, operator costs and public taxi fares and all of which are published and with available stakeholder public submissions.

There is in fact urgency for IPART to formulate and express any recommendations before the new Plate Lease procedures become established practice.

Also not to be delayed is the Pre Payment of fares which bears directly on driver earnings, safety and IPART’s productivity concerns.

How soon does IPART intend to address these and other issues ?

Thirdly of course, there may be other matters implied in your comments on timing, which are not known until IPART lists the data and information it needs as requested above.

### **In Conclusion**

Your open and frank comments are appreciated in several ways.

Not only in relation to the importance of the IPART info /data base and the respective responsibilities for achieving a better database, but also in relation to past data provisions, public information on IPART data needs, urgent data program timing and the maintenance of cooperative stakeholder /IPART relationships. In regard to the latter, the NSW TDA, myself and others, have bent over backwards to voluntarily assist IPART way beyond their reasonable resources and obligations to do so. That's the product of attitudes of good will and cooperation to IPART and a deep concern for the welfare of the taxi industry and on behalf of drivers and operators, the industry key economic performers.

The perceived impatience in your comments in lines 2-4 above is understandable and agreed, if possibly misdirected to a degree. Not only have the NSW TDA and I and others submitted many comments, necessarily critical and hopefully accurate, but have volunteered substantial contributions of valuable information and hard data and sources over the past three years.

It is in fact IPART itself that is deserving of more than impatience by less than positively ignoring and refusing to acknowledge, let alone act, on such data /info as provided without further explanations. Consequently, similarly to your comments, if impatience has crept into some stakeholders' comments, then some of the reasons for that are now clearer. The 12 April 2010 presentation cautioned about cooperative IPART /stakeholder relationships being in danger of fracturing.

In view of your constructive, timely and welcome comments bringing the critical data /info needs and related IPART responsibility and industry assistance procedures clearly into the open, and in the interests of continuing cooperative efforts, it is requested that :

- IPART confirm and respond openly to each of the specific matters under the headings above,
- Provide an open listing, or Appendix as above, of all the IPART info /data needs,
- A program of timings on when such issues and others may be dealt with as soon as possible, with clear reasons

In addition, the 12 April 2010 presentation suggestion is repeated as facilitating the cooperative efforts of stakeholders and improving the program time for stretched stakeholders. Namely, for vital learning by IPART, to avoid missing important issues such as new Plate Leasing procedures, fares Pre Payment and taxi fleet productivity improvements, stifling other issues of public and industry importance, and to minimise gaffes, it is recommended that IPART seek suggestions well in advance for agenda issues for discussions and reports, as well as not to discontinue the practice of draft and final reports.

Thank you for your open and frank comments which will hopefully assist to improve the Taxi Cost Index and fare reviews and to reinforce cooperative stakeholder /IPART relationships. Your early reply would be appreciated as it may influence the stakeholder submissions due by 30 April 2010.

Yours Sincerely,

Ted Hirsch

## APPENDIX B.

### BUSDRIVER AND TAXIDRIVER SKILLS REQUIREMENTS

Some key skills sets and attributes required by busdrivers and taxidrivers to carry out their passenger transport responsibilities and some of their major differences are listed for comparison.

#### TAXIDRIVERS

#### BUSDRIVERS

##### **Driving.**

The skill and requirement for busdrivers to manoeuvre the big buses through congested traffic and often the narrow streets of Sydney is unique to busdrivers.

An additional strain is that busdrivers often have to meet set timetables despite the unforeseeable problems of traffic etc.

Busdrivers have a responsibility for the safety of their passengers numbering in the 60's and more for some double carriage buses.

Taxidrivers only occasionally need to manoeuvre or reverse their taxis into narrow lanes or tight winding sloping driveways, but commonly deal with awkward congested traffic conditions.

Driving agility and presence of mind is often required by taxidrivers in very awkward and unexpected circumstances, for instance to suddenly pick up a street hail.

Individual passengers often demand urgency to get to airports etc, despite traffic congestion problems.

Taxidrivers generally have a safety responsibility for a limited number of 4 passengers and for more with some maxi taxis.

Busdrivers have set the convenience of busstops for the pickup and setdown . Usually these bustops are clear of other vehicles.

Taxidrivers have to use considerable ingenuity, having no clear locations, but generally having to pick up and set down in any locations from where passengers hail them or demand to be dropped (apart from some scarce taxiranks). This is often extremely difficult, leading to double parking, unauthorised stopping, etc, and requiring great care in driving safety and minimising disruption to other traffic.

Compounding this, the RTA change from No Parking to No Stopping signage, now widely prevents taxis legally picking up and setting down and the responsibilities of taxidrivers under the taxi regulations are in direct conflict, with taxidrivers now being frequently booked by overzealous Traffic Rangers.

##### **Street Knowledge.**

'The knowledge' required for taxidiving greatly exceeds that for the set routes of busdriving. Taxidrivers need to have an expansive knowledge of suburbs and streets (36,000 Sydney streets) and which is often expected by passengers. They also need to have good quick map reading skills, both for booking pickups and destinations. Sydney's poor street signage and non existent street numbering often makes this even more difficult, especially at night.

As well, taxidrivers need to know specific buildings, companies, hospitals, hotels and nightclubs, etcetera.

Upon entry by a passenger, the taxidriver must be able to promptly "mental map" the best way to get to the requested destination. This may be simply from A to B, but must also be from C to B, and from any location in Sydney F, W and Z to B, or any other destination, requiring quick mental map agility!

Taxidrivers must know the quickest routes (which are not necessarily the shortest), be aware from experience of traffic congestions at different times of day and be able to also change onto alternative routes in the event of a multitude of unexpected traffic problems.

Busdrivers street knowledge of is limited to the use of set routes.

Busdrivers normally work given routes, but at times be rostered onto other set routes.

##### **Regulations.**

Busdrivers need knowledge of various regulations on the provision of public transport services and the conveyance of passengers.

Taxidrivers similarly have to be familiar with a large number of transport regulations and rules.

## **Fares processing & Operations.**

Buses need to process set fares and provide passengers change. Taxidriver need to charge a variety of fares from differing meter rates, plus Tolls and other surcharges (sometimes incurring disputes as to Harbour Bridge return toll payments, etc). As well they need to process fares by a variety of means, in cash, by green slip swipes and by eftpos machine.

Taxidriver also have to be familiar with a plethora of equipment which often has to be operated while driving, including fare meters, MDT screens, radio bookings and radio codes, radio voice communications, security alarms, search lights, trunk radio systems, and mobile phones.

## **Customer relations.**

Busdriver customer relations rose to a peak during the 2000 Olympics when the public was welcomed by smiling ambassador busdrivers throughout Sydney. The busdriver customer relations are mainly limited to passengers entering the bus, paying the fare and sometimes when a passenger has difficulty with a stroller etc.

Taxidriver customer relations are more complex and more direct, personal and one on one due to the close intimate proximity and the individual nature of passengers' needs and destinations etc.

Good customer relations are essential for the successful delivery of taxi fares, not to mention taxi tips. Unfortunately, the multitudinous minor and major problems that arise concerning times, bookings, fares, routes are also very direct in nature, and require sound customer relation skills to satisfactorily resolve.

Compared to busdrivers, taxidriver need to execute their duties and extended customer relations under often difficult circumstances, with strangers and tourists to Sydney, with passengers with little English and of course, notoriously, with often querulous drunks.

Good conflict resolution skills are essential for sound and safe taxi services.

## **Fatigue.**

Busdrivers have an eight hour driving regime akin to truck drivers. The standard 12 hour taxi shift is iniquitous for fatigue and the safety of taxidriver and passengers. Stories of taxidriver dozing off are legion. And sensible shift breaks fatigue management is countered by the need to maximise the paltry industry earnings rates of taxidriver.

## **Safety.**

Busdrivers in recent years have been increasingly subjected to violent incidents in certain areas of Sydney, rocks through bus windscreens and some incidents of personal abuse on the bus. Busdrivers have some measure of protection when other passengers are still on board.

Taxidriver unfortunately are exposed to a much higher degree of risk due to the isolated nature of the taxi and the often isolated destination locations far from the safety of public areas. The nature of the personal taxi service with small matters potentially leading to disagreements, the frequent transport of drunks at night, and many other reasons, lead potentially to high risk situations.

The incidence of assaults and murders of taxidriver is stark evidence of these risks.

## **Summary.**

Based on the skills sets for both taxidriver and busdrivers there is no argument against at least similar earnings rates for taxidriver compared to busdrivers.

There may be a strong argument for taxidriver hourly rates being justifiably higher than bus drivers.