

Email

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# NSW TAXI DRIVERS ASSOCIATION

*Incorporating Bailee Drivers, Owner Drivers and Lessee Drivers Inc 9882558*

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## **Superannuation for Taxi Drivers**

After several years of lobbying by the NSW TDA and its predecessors, and over a decade after workers in other Australian industries, Taxi Drivers have at last been granted the basic rights to Superannuation in their Contract Determination.

Almost.

The determination of the NSW Industrial Relations Commission only covers bailee taxi drivers in Sydney, Newcastle and Wollongong. And its effective implementation requires that IPART recommend a specific portion of the average fare structure as the Superannuation component. The Fabian tactics of other 'authorised' stakeholders ensured that this decision came after their submissions to IPART for 2005 were made, thus putting in doubt the flow on of that long overdue decision. Not covered are the non-urban bailee drivers, nor the application towards Superannuation of the benefit of a fare increase to owner drivers.

The decision by the IRC has been further complicated by its orders that the quantum of Superannuation for an individual driver payable by the operator / bailor out of funds received from bailment pay-ins be set at 9% of the bailee drivers' actual earnings as verified by his BAS or declaration of BAS earnings.

The amount derived on a per fare basis recommended by IPART is then to be reflected in a per shift amount payable to the bailor, determined by the IRC and passed on to the designated Super Fund as a percentage of driver earnings, as disclosed to the Australian Tax Office.

None of these items are directly related or consequentially determinable. And, out of this bureaucratic debacle the taxi driver is likely to continue to drive on an unfair fare basis that still provides no Superannuation.

The TDA will not permit this situation to slide on for yet another year.

We, almost respectfully, request that IPART takes into account the best available statistical evidence of fares per shift, operating costs, revenue and earnings and therefrom determines a flagfall component for Superannuation that implements the IRC decision. There are possible flaws and potential inequities that flow primarily from the Taxi Council

Limited's refusal to make available alternatively verifiable evidence on the number of fares per cab per shift per year.

Until such time as adequate data be provided by the other stakeholders, the best available information is that supplied by the TDA, and cross checked against the Canberra Cabs submission to the ACT's ICRC.

We are loudly and unashamedly critical of the Taxi Council Limited and the Ministry of Transport for their refusal, separately and jointly, to supply statistical data they have, and are empowered to have, to IPART. We are critical also of IPART for not undertaking an independent review, nor of instituting a survey of the taxi industry.

The TDA, from its member surveys, meter readings and records assert that the average Sydney taxi completes 227 trips over thirteen shifts in a fifty week year, with an average total fare of \$18.10 per trip. [This is greater than the IPART average fare by reason of an extra minute in waiting time and a Tariff II component.]

The average total revenue from fares per week per cab is thus \$4110 from which must be deducted the maximum pay-in determined by the IRC [\$1947], the cost of Fuel and Wash for a Method II Bailee Driver [\$384], GST payable [\$150], an amount for the drivers outgoing expenses,[\$65]. Net Earnings of \$1564 per cab

The full time five day/ forty eight hour a week driver obtains \$524  
The full time six night / sixty eight hours a week driver obtains \$820  
Casual drivers filling a day and a night shift pick up \$220

An average of \$10.90 an hour for the day driver and \$12.15 for the night driver, \$11.50 an hour average.

From calculations of 9% of these net earnings, on a per shift basis, the amounts of \$10 and \$13, day and night are realised. On a per fare basis of 15 day and 20 night trips, seventy cents per flagfall is derived. Applying a surcharge to any other component of the average fare would result in windfall gains to drivers at the expense of passenger consumers.

The most reasonable conclusion on this basis is that a flagfall component of 70 cents per trip be added to the average fare, such that IPART may recommend and the IRC determine a pay-in increase of \$10.00 per day shift and \$13.00 per night shift.

The TDA is most concerned that this be effected in this year's recommendations.

We remain of the view that, additional to any Superannuation component, a fare increase that provides the driver with the reasonable expectation of earning at least \$16.25 per hour driven, is also necessary. As we have previously demonstrated, that situation can be achieved by an average fare of \$21.75, inclusive of the 70 cent Super surcharge. The total increase, 20%, is substantial and fare elasticities will have a short term impact; however, this is a minimum increase needed to bring taxi drivers up to very basic community standards of remuneration.

Michael Jools  
For the NSW TDA  
Thursday, 19 May 2005