

Submission to IPART 2003

by

The Transport Workers Union [NSW Branch]

and

Taxi Driver Members of the TWU

An Inquiry into Taxi Fares and Fare Structure

May 2003

PREFACE

Taxi Fares 2003 ... What the Taxi Driver wants from IPART

A taxi on the road every day and night of the year in Sydney can earn \$200,000 in fares. But it doesn't This submission is about what the facts are, and what the cabbie earns. It costs the Operator about \$51,000 a year to put a cab on the road. It costs \$20,000 a year to lease Taxi plates.

If the Taxi is on the road for 47 weeks 5 days and six nights, the Operator gets \$71,000 in bailment rent from the drivers. Breakeven. If the taxi is on the road for 52 weeks of 6 days and 7 nights the operator gets \$92,000. The efficient operator can make up to \$21,000 a year profit on each cab. He just has to keep it on the road. Maximised utilization.

Because of the method of Fixed Pay Ins by the Driver for each shift, irrespective of the fares earned, the level of fares doesn't affect the Operator. But it is vitally important to the Driver. *And that's who we are interested in.*

From the current \$16.00 average fare the Driver pays out \$7.00 by way of bailment, \$1.60 goes as GST, \$2.30 goes for LPG Fuel and expenses.

He retains \$5.10 a trip as his "wages".

On average the new day driver earns as little as \$5.00 an hour, the average night driver earns \$10.00 an hour, Not very much, a very average \$7.50 an hour on a good day.

An average fare is a flagfall + 7 kms of distance + 4.5 minutes waiting time and 1/3 of a radio booking. We want \$0.75 cents on the flagfall as a Superannuation levy.

We want a fare increase to give the drivers a basic living wage. We want \$10.00 an hour for the day driver and \$14.00 for the night driver. An average \$12.00 an hour. The average fare will need to be \$19.00. That will cover Super also. And the Radio Fee drops to \$1.00.

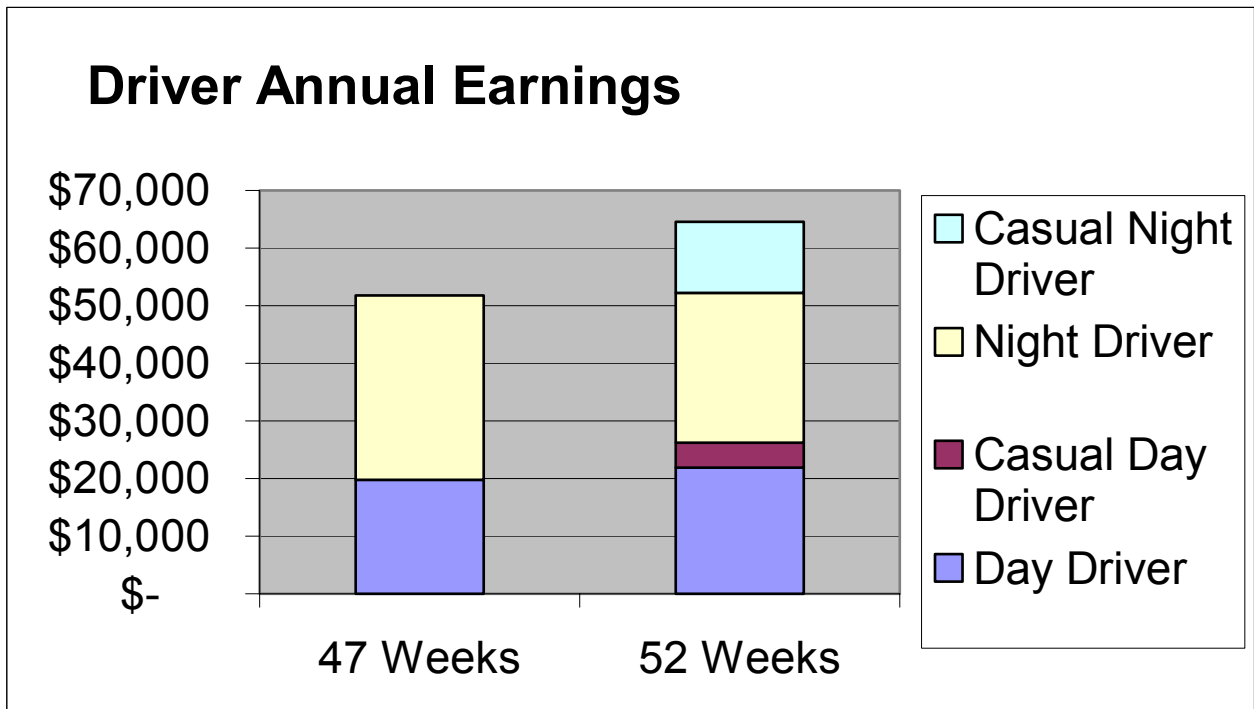
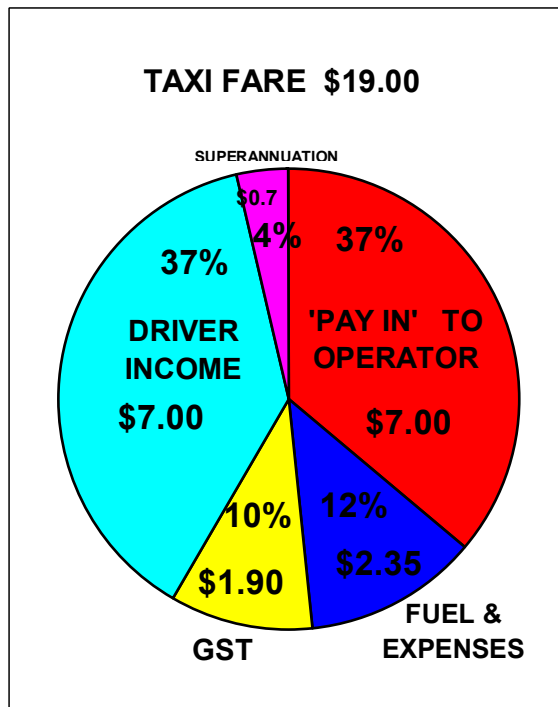
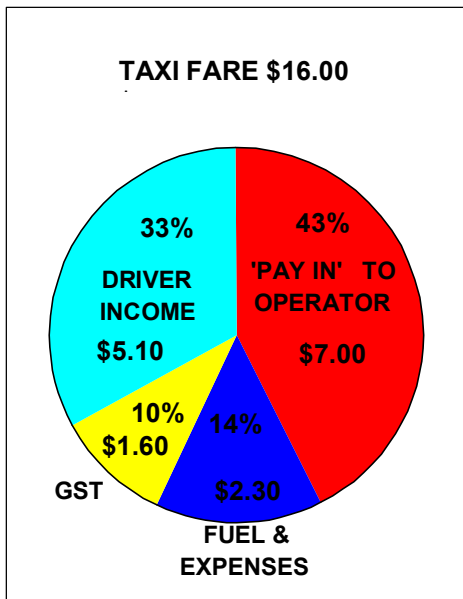
Flagfall \$3.50 Distance \$1.60 km Waiting Time \$0.85 min Radio Fee \$1.00

A \$19.00 fare will still give the Operator his \$7.00, and his profit. Fuel and expenses stay about the same at \$2.35. The Government gets more, as usual, from the GST, \$1.90. We get \$0.75 put away for Superannuation. And we get \$7.00 a trip. Close to the Minimum Wage.

That's a fair share of a fair fare

Cabbies are also fighting for Fuel and Wash to be paid for by the Operator, just as it used to be. When we win, the Taxi Driver will get almost the same hourly rate as a Bus Driver ... and a lot more hours on the road, without overtime rates.

And at a zero extra cost – no extra cost – to the passenger.



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TWU Submission to IPART 2003 .. Issues Paper

Introduction

For the last two years IPART has provided fare recommendations to the Government on fare changes for the taxi industry. The Director General of Transport confirms that this has proved beneficial in providing a consistent and transparent process and gives the traveling public and operators' greater certainty regarding the fare setting process. For 2003, IPART has been asked to give greater consideration to an assessment of the cost items, and to query the appropriateness of fare changes based solely on a cost index approach. IPART has also been asked to make recommendations regarding the Fare Structure and the components' relationship to patronage.

Hopefully it will also, on this occasion, have regard to the needs, interests and involvement of Taxi Drivers. They are, after all, the largest single 'cost' item.

This submission by the Transport Workers Union, on behalf of Bailee Taxi Drivers has been prepared by the TWU and a group of its Taxi Driver members.

We stress from the outset, our opinion that the previous reviews by IPART have not adequately, if at all, considered the role and input of the Taxi Driver. The Issues paper for 2003 indicates a change.

Thus far the assessment of cost has been limited to the operating costs of the accredited operator of the taxi cab. It has not examined the operating costs of the accredited driver of the taxi cab, by whom the fares are actually received and who, in Sydney, pays the 'Operator' a fixed rental or bailment for the use of the vehicle.

Nor has it critically verified the quantum of cost claimed by the Taxi Council on behalf of Operators; indeed, we have the ludicrous situation of these 'operating costs' exceeding average revenue from bailment by around \$20,000 a Taxi !!

The "Fare Structure" and "average fare" previously used have not been fully defined or verified. Without verification of these concepts, and of a statement as to average trips per average shift, the true impact of a fare change on the traveling public, or of the impact on the Taxi Driver's income cannot be determined.

We concur with IPART's previous comments as to the lack of verifiable data that would facilitate reasoned analysis. To that end we have submitted a framework of statistical data based on published reports, and a partial survey of our Taxi Driver members. We have also put forward an industry wide survey supported by the TWU, and TNSW and conducted by TNSW. The results of this survey should be available within the IPART Submission period, and we will make a final submission incorporating the information so obtained. Our analysis of Operator costs is based on the historical IPART figures, and not on the as yet, unknown numbers conjured up by the Taxi Council for 2003.

Our submission will examine the industry, set out cost models, examine the costs of Operator and Driver, analyze the Fare Structure, and propose a fare that provides a fair return to the Taxi Driver. We will do so from our commitment to the best interests of taxi drivers and within the constraints of the Tribunal's considerations of public policy.

A Taxi Cab Service has three vital components:

Taxi Cabs Taxi Drivers Taxi Passengers

Without all three there is no service for IPART, or anyone else, to consider appropriate fares. To provide services in an efficient and affordable manner the taxi cab also needs a booking service to organize passenger requirements, a regulator to measure and maintain standard of service, and a mechanism to monitor regulated pricing in a monopolistic market.

Taxi Cab Owners and Operators need to cover their cost of operations and provide a rate of return on their investment capital.

Taxi Cab Drivers need to cover their cost of operations and driving expenses and to provide a community standard wage or return on their labour involvement. Provision for Superannuation should also be factored.

Taxi Cab Passengers need to have available affordable fares commensurate with the services provided. They must be assured of the provision of an available service to a appropriate community standard.

IPART needs to consider the three sets of needs and strike a harmonious fare balance that maintains the essential public transport service provided by the NSW Taxi Industry. Previous inquiries have focused on Taxi Operator costs and have not fully assessed the financial costs of and to Drivers, or the social context of their activities, or the impact on passengers of fare structure changes.

It is the intent of the TWU Drivers to put an equal focus on all these aspects as noted in the 2003 Terms of Reference.

We would also submit some initial quantification of the two major Taxi Models, with a view to IPART determining these as models around which the examination of costs and revenues might be focused. It is our view that without a theoretical framework of the industry, that there can be no meaningful assessment. It is for that reason also that we are so actively promoting a survey of the industry.

There is another tier to the industry... the Plate License Holder. National Competition Policy would lead to industry deregulation by way of free entry, and eventually perhaps to a deregulation of fares and standards. The NCC has pointed out that about \$3.00 of the average fare goes towards the Plate Holder and he is virtually guaranteed a 8.3% return on his investment by the existing industry structure.

There has been a degree of comment as to whether the Plate Lease Fees paid as an operating cost by the Operator are also a cost to an Owner Driver. IPART needs to clarify these matters, and determine how the Plate Lease Cost is integrated.

We would also strongly request IPART to seek and publish comment from the Regulator, the NSW Department of Transport. Their involvement and input is critical to the process, and their definition, explanation and analysis of the industry would be a benchmark for other comment.

A significant feature of our analysis is the proposed reversal of the costs of Fuel and Wash to the Operator in all bailment situations, rather than merely in the commission based Method I Bailment. We see such a cost burden shift as an optimal solution for equitable fare sharing between driver and operator, with a least increase in fares to the traveling public. This is possibly a solution outside of IPART's function, but certainly within its area of recommendations and Terms of Reference.

It is currently the subject of an Application to vary the Taxi Contract Determination now before the NSW Industrial Relations Commission.

The Industry

The Taxi Industry, as any other industry, is in a constant state of change, as it adapts to economic, technological and social change. It is still the sole mass public transport mode that operates without public subsidy. The Taxi Transport Subsidy Scheme that provides such vital assistance does so in actuality for the disabled passenger and not for the industry. The issue of "nexus plates", addressed later in this submission, is the only and entirely reprehensible subsidy that accrues directly and only to the Networks.

Taxis carry a lot of passengers. Unfortunately, nobody knows quite how many, how often or for how much. There are some statistics that should be available, but are not disclosed. There are many guesses, a few inspired calculations, and at last an industry wide survey. This submission is based on such facts as are available and logical conclusions from that evidence, previous submissions of all parties, interstate comparisons and detailed records of drivers. We will reassess our comments with the data that emerges from the TNSW Survey now in process.

We also must position the industry in its context as but one of the several transport modes. Taxis are affected by other competing modes as well as by prevailing economic activities.

9/11, the Ansett collapse, the Bali Bombings, SARS and the War on Iraq have all had significant influences on the Australian economy. And from our narrower viewpoint, on Taxi fare revenue.

Hire cars, Courtesy Buses and Community Transport also impact on Taxi revenue. Congested traffic, local speed restrictions and a trend to shorter trips are other factors. Driver attitudes, availability and professionalism or lack thereof, are equally relevant. Mr. Justice Marks of the NSW Industrial Relations Commission has called for an inquiry into the Taxi Industry, such as would address these matters and their relationship to Taxi Driver remuneration and conditions. We would bring these issues to the attention of IPART also.

Industry Cost Models

The NSW Taxi Industry can be viewed as having two primary models ... the Owner/ Driver Taxi and the Base Taxi. There are several other model groups : WATS , Country Taxis , Silver Service, Maxi Taxis, etc. Our analysis does not extend to these models simply from lack of our own resources, but we do not thereby downgrade their relevance or importance. In terms of Fare Setting and a simple and single fare structure, the conclusions drawn from the two major models can be applied globally.

According to TNSW figures some 50% of NSW Taxis are owned by single licensee and are operated by the lessee and one driver. Given the weighting of country taxis there are probably more than half of the cabs in Sydney operating out of a base with multiple cabs. The type of operation has a considerable implication on both cost and revenue from the cab, but from the market demand side, the fares and fares per shift are unaffected.

The Taxi Council commissioned Price Waterhouse Coopers in 1999 to develop a Taxi Cost Model which purportedly covered all the cost items. We do not regard this model as representative of Taxis or even as marginally accurate as to Taxi operating costs.

This was accepted by IPART 2001 as a cost model together with the historical data that gave a cost index increase. The 2002 Inquiry modified a few items and continued with previous remarks that the data had not been thoroughly verified and should not be used unquestionably for future analysis. The TWU has previously seriously questioned much of the data and most of the calculations. At it's simplest the numbers were bodgey, and they still are.

There remains confusion as to whether the cost model is only a cost index model, and thence its relevance is for year to year indexed movements, or whether it is, as originally claimed, a comprehensive analysis of all the significant cost components of taxi operation. We believe that, as a starting point, we have to get the numbers right and verifiably correct, in any event.

The following table sets out the parameters of the two models, together with quantified assumptions, based on our own limited data input, that give a framework for the overall fare assessment.

Taxi Model Definitions and Profile .. 2003

	Single Lessee / Driver	Base Cab
Shifts	5 days 6 Nights 47 Weeks	6 Days 7 Nights 52 Weeks
Management	Full Insurance Contract Servicing Contract Smash Repair No Standby Demurrage Ins. New Tyres Parts @ retail New Vehicle Off Road 5 weeks	Comprehensive & Third Party Property Own Workshop Own Smash Repair 2 Standbys / 20 cabs 1 Standby w Night Plates Retreads Parts @ wholesale Used Vehicles On Road with January Pay in discount
Drivers	2 Permanent [lessee + bailee] 1 Holiday Pay	1 Permanent 2 or 3 Casuals 1 Holiday Pay
Usage	142,000 kms 5 kms / litre LPG 50c / l \$10 wash 200 Trips / w 18.2 trips / shift \$16.25 av fare	184,000 kms 4 kms / litre LPG 50c / l \$10 wash 230 trips / w 17.7 trips / shift \$16.30 av fare
Fare Revenue	\$152,000	\$195,000
Pay Ins	\$70,923	\$91,884
Wash	\$2,820	\$3,640
Fuel	\$14,335	\$18,460
Driver Expenses	\$7661	\$10,140
GST [Driver]	\$4982	\$6188
Driver Retention	\$51,716	\$64,515
[note : this is for multiple drivers , up to 4 per cab]		
Hours pa	5570	7254
Net Hourly Rate	\$9.30	\$8.90

	Single Cab	Base Cab
Operator Costs	\$	\$
Plate Lease	0	20000
Vehicle Lease	7000	6000
Insurance	12737	11500
Network Fees	6436	6436
Govt Fees & Charges	739	739
Establishment Cost	1200	1200
Stand By Cab	0	1500
Garaging	500	500
Repairs & Maintenance	5000	4500
Parts & Panels	8000	7500
Tyres	1635	1820
Other	1000	500
ATIS detailing	360	200
Operator Admin	1560	2340
Operator Super	140	210
Uniforms	450	510
Driver Entitlements	3731	3731
Accident Excess	500	750
Total Costs	\$50988	\$69936
Total Pay Ins	\$70923	\$91884
Operational Margin	\$19935	\$21948

IPART, in its Issues paper, reiterated a view of the way forward. We support , endorse and comment on those matters.

The way forward

In its final report last year, the Tribunal highlighted some possible developments that might assist the Tribunal in its fare review process and the government in monitoring and regulating the industry. The Tribunal highlighted five things:

- that adjustments to fares based on the cost index should *not* be considered to be an annual, automatic matter
- that a detailed study of cost items should be undertaken if the current regulatory approach is maintained and that a detailed study on industry revenue should be considered
- that efficiency gains need to be encouraged in the industry
- that an ongoing annual information return should be established which includes revenue, cost and performance information
- that performance standards be properly defined, monitored and met.

An issue arising out of the second point is that about 3,000 taxis are operated as stand-alone businesses while another 1,000 or more (the THCB could not be precise) are operated from a 'base' of five or more taxis. That suggests the possibility of a different set of cost items that may be most relevant to a single taxi operation as opposed to a base taxi operation.

Utilization of Taxis.. The Economic Rationale

One of the issues that IPART must address is that of Taxi Utilization. It is central to the whole assessment, and a prerequisite for analysis. There may be suggestions that the industry standard, or one of them, is for a Taxi driven by the owner of the plates in conjunction with one other permanent driver. Together they drive 5 day shift and 6 night shifts for 47 weeks of the year. That scenario creates a revenue pattern as well as a cost pattern.

The other standard is for a Taxi to be driven entirely by bailee drivers, out of a base operation, for 6 days and 7 nights for 52 weeks of the year.

Whilst there are a number of difficulties in assuming a vehicle can be on the road for 52 weeks a year, with a driver for each shift, it is a realistic and economically justifiable scenario. There are firstly 52 days available for servicing or repairs, there are standby cabs additionally costed in. Drivers may not be available at maximum pay in levels: they will be available at market prices.

But the essence of the argument for this model as the basis of cost recovery is that it is the rational economic model that best serves the community. There can be no justification for assessing fares on a model that factors the removal from service for two days and one night a week, and for five weeks a year. It well may suit the choice and social preferences of the Plate Owner or Licensee, but it is not in the interest of the community to have to bear a level of fares that suits that non- economic choice.

In terms of economic rationalism, and the precepts of the National Competition Commission, the setting of fares must be premised on efficient use of resources. If a cab needs be on the road for 52 weeks a year with a full day off each week for service [backed up in any event by a Stand By cab], to fully meet the operating costs and margin for profit: then so be it.

IPART should not accept less. The Terms of Reference of this Inquiry support the community interests in a recommendation that is based on efficient Taxi Usage. This surely is about the efficiency of supply of services so as to reduce costs for the benefit of consumers.

Cabcharge

A key stakeholder in the **Taxi** Industry has got to be Cabcharge . After all it collects a 10 % surcharge on close to 25% of the fares collected by Taxis. But its interests in the NSW **Taxi** Fare Structure are nowhere mentioned. IPART has used its revenues as an estimate base for total Taxi revenues, but does not otherwise consider Cabcharge. The flow on benefit to Cabcharge of a fare increase is automatic.

To be strictly correct it's a little less than 10% because of not charging the GST on the financial component of the total of Cabcharge's own credit card fares. But all the same it's a huge slice of the estimated \$1 000 000 000 in Sydney **Taxi** fares a year.

To be even more correct, there is a portion of Taxi Revenues that does flow from Cabcharge. That is the net payment from its charges to the Co Operatives who were the original owners of Cabcharge. Those Co Operatives, to the extent that they still exist presumably pass a dividend on to their member owners / operators.

There are a few fringe merchants who do deal directly with the Credit Card Providers, but the bulk of transactions goes through Cabcharge.

Why then is IPART not simultaneously reporting on the impact of Cabcharge ? On what cost index are their charges based and justified ? For the passenger the Cabcharge surcharge is a part of the fare. Just a nicely unregulated part.

For the Driver at the bottom end of the scale, where is his input counted ? The driver gets no share on the transaction, even though he does all the paperwork that creates the transaction. Worse, the time to complete a docket or eftpos slip is after the fare has been determined . The cost in time is the Driver's problem. Worse still , if there is an irregularity or fraud in the transaction, in the end it gets charged back to the Driver.

And most worst, is the loss in income from the almost total absence of tips to the Driver from the eftpos transaction. Traditionally, the low paid service worker, be he waiter or **taxi** driver , supplemented his income from tips.

Better service meant more tips, and a bit less in wages wasn't so hard to bear.

But now, and that is the reason why many Drivers are reluctant to use the Eftpos : the tips have dried up. But Cabcharge gets 10% whatever.

So , to IPART. What about Cabcharge ?????

Silver Service / Prestige / Diamond

The executive prestige brand fleet groups of the Networks provide an interesting case for productive efficiency. Using Ford Fairlane type vehicles that incur a considerably greater capital cost and insurance / leasing costs as well as higher cost in parts and panels, these taxi groups operate on the same fare structure as do their more humble cousins, the regular Ford Falcon fleet. They also use more fuel, but that's a bailee cost.

Other than for the case of the now defunct TCS's own Silver Service operation, drivers make the same pay in's. On the face of it, such prestige services would be therefore less profitable, and less worth the investment by an Operator.

But, because of a much higher demand, and more radio / trunk radio work the vehicles are driven more shifts a year. They can achieve the absolute maximum of 14 shifts x 52 weeks. To be sure, this requires stand-by vehicles and an active workshop; but it produces \$100,000 a year in bailment income.

The point is proven of the benefit of efficient and maximum use of resources, that enables the same fare structure to co exist with a higher standard of vehicle and service, a higher standard of driver and of driver income, and a higher level of profit to the investor and operator. A win / win situation.

If at all, in the case of 'limo' type taxis there is a case for a higher booking fee. There is certainly no need for a different general fare structure.

If such a service can be provided, the Regulator should surely ask why a generally improved standard of vehicle and service should not be the norm rather than an exclusive exception. There has been some industry comment that the Silver Service lessees would be better off relinquishing their Taxi licenses and converting to Hire Car operations. They would lose the estimated 30 % of their revenue currently gained from ranks and street hails, but, as the "trunk networks" have shown, would increase their bookings and total revenue. Considerable cost savings in Plate Lease Fees, Network Charges and Driver Entitlements would accrue. They would also have the fare freedom of an unregulated market.

Country Taxis

This Submission makes but little comment on Country Taxis. Firstly we are awaiting data on actual Country usage, and fare revenue. Many of the cost items would no doubt require scrutiny also.

We do note that the "Bailee Driver Payment" of \$48,957 is a further refutation of the methodology for this item. To expect that two full time drivers can realistically be expected to earn less than \$25000 each for 47 weeks work of 60 hours is simply ludicrous. A notional 36% of 'operating costs', inappropriately derived is an inappropriate measure of driver income, wages, or whatever.

We have however a greater objection to this aspect of the IPART Inquiry.

Under the Passenger Transport Act and the Transport Administration Act it is entirely possible that the Department of Transport, or Transport Services, lacks jurisdiction outside the three Transport Districts therein nominated. The regulation of Taxi Fares outside of Sydney, Newcastle and Wollongong is possibly *ultra vires*.

This issue requires clarification.

Statistics

In the preparation of this submission, we have been constantly dismayed at the available information, or rather at the lack of information on the Taxi Industry. Hopefully, the survey of Taxi Drivers now being undertaken by Transport NSW will fill in some of the gaps; implementation of the Service Standards for Networks and Operators will provide more detail, and perhaps the Transport Data Centre could assist with a more meaningful approach. The Taxi Council might even access its own wealth of information held by its member groups. For an industry with an estimated turnover of almost \$1,000,000,000 a year in Sydney alone, the salient facts take a lot of digging to unearth any sort of composite statistical analysis. A few of the major myths first.

The Taxi Council claims in its brochures some 175,000,000 passengers carried a year by NSW Taxis, with an average 1.8 passengers per trip. That's 97.2 million trips. At \$16.00 a trip that is a revenue of \$1.5 billion, 16,000 trips per taxi and \$260,000 fares per cab. Even spread over fifty two weeks the Taxi Drivers would be going home with a net \$270 a shift. Unfortunately it's not true. Taxis do not average 315 jobs a week. At best 200 to 230.

In the 1999 IPART Inquiry, the Taxi Council confirmed an alternate view that 32,000,000 trips was a reasonable estimate. That's off the mark the other way. At those figures taxis would only do 5,300 trips a year and the Drivers would not even cover their pay ins.

A few irrelevancies.

The Transport Data Centre postulates 119,000 Sydney resident trips a day. It uses the same figure for trips and for full fare paying passengers, so we never know the number of people carried, let alone the total numbers including residents and non residents. We can guess, with 1.8 passengers per trip, that Taxis carry around 12% of all Public Transport. Users. And Taxis are the only unsubsidized mode of Public Transport.

1,121 Children not in school catch a Taxi each day, and they have a Household Income of \$9,000 a year ????

2,294 Unemployed people catch cabs out of their \$46,727 a year income. Necessarily, no Taxi Drivers catch taxis. They certainly cannot afford them on an average income of \$21,000.

If the CCN Radio bookings are 25,000 a day, then their 62% of the market gives total radio jobs of 40,000. That 40,000 certainly is not 44% of total hirings, upon which the 'average fare' is based. It's only just one in three of the resident trips, with zero radio bookings for the non residents. From IPART 1999, we know however that 34% of non residents make a radio booking.

So what are the real numbers ????

Remember the number of Taxi Operators ? 6,550 pay fees to become 'operators', but only 3,891 operate taxis.

But the classic is that those operators claim it costs \$93,192 to keep a taxi on the road for a year, and with a maximum income from bailment of \$91,884 for 52 weeks of six day and seven night shifts, they stay in business.

The real numbers

4700 cabs in Sydney average 14 jobs a day shift and 22 a night shift. They are on the road between five and six days a week and between six and seven nights. They work between forty-seven and fifty two weeks a year depending on whether they are Single Owner driven or a Base cab. A reasonable total number of trips annually is 56,000,000. At \$16.00 a trip that's an industry turnover of \$900,000,000.

Nice big numbers, and the Taxi Driver who makes it all happen earns less than \$9.00 an hour. He works a 60 hour plus week without overtime or holiday pay, and thanks to Cabcharge , without tips.

We want to change those most salient facts. We want a very average \$12.00 an hour. We would like to get Annual Leave and Superannuation, and we think that the owner should pay for fuel and wash.

WATS

The WATS cabs are a very special group of Taxis doing very necessary work for a very disadvantaged section of the community. They deserve very special consideration. They are also the subject of several significant frauds and misleading come-ons. But

There is not enough wheelchair work

They cannot earn a living from wheelchair work alone

There are some corrupt and cheating drivers

There are some corrupt and cheating operators and networks

There is a lack of will to fix the problems

The sad fact of the matter is that there are 254 WATS vehicles in NSW and, on the figures from the TCS run 0200 WATS Network only 19 000 jobs a month of which only 4000 are Radio Bookings. A quick bit of maths show that the average WATS gets between two and three jobs a day. Not very profitable !

So what happens.

Drivers rort the system. They overcharge, they demand blank M50 dockets of their disabled customers. They lie about the job details. Occasionally they get caught. They also and often do regular street work, as they are entitled and obliged to do. Some very smart ones actually position themselves at the Airport to get Multiple Hires.

But the real rort comes from the old Co Ops and Networks. Many years ago they were given a total of 88 free unrestricted Taxi Plates and 88 free WATS plates. FREE. The idea was that the funds derived from bailing out the cabs [there wasn't the concept of leasing back then] was to go to set up and run a WATS Network [they weren't called WATS in those days either] and to pay for the "running costs " of the wheelchair cabs. Running costs means the cost to the driver from the time of a radio job acceptance to getting to the job and making a pick up. Great idea. Except it didn't and still doesn't happen.

The Co ops and whatever some of them turned into still have the double 88 "nexus plates" and their current lease value is just on \$2 000 000 a year.

TCS sometimes pays some of their WATS drivers some of the running costs.

The others don't. Most everybody has lost the details. But at long last the NSW Ombudsman is on the trail and Transport NSW are making enquiries.

So what is the relevance of this potted history to IPART ?

We , the TWU and Taxi Drivers , want, the 'Running Costs' of all WATS Cabs to be paid as a part of the Fare Structure. The Fare should commence with the acceptance of the job, and that portion payable prior to actual commencement of the Passenger's journey, be payable by the 0200 Network.

It will not be an additional charge to the Passenger, it will not be a cost burden to the Driver. It will be a reimbursement from funds set aside by the Co Op / Networks.

The result will be threefold

Firstly it will encourage WATS drivers to spend more time on what will become more valuable jobs.

Secondly, it will promote use of Radio Bookings as the best way to get jobs. And the more vehicles logged on the quicker will pick ups become. At the moment TCS actively discourages disabled customers from making Radio Bookings. They encourage the making of a Private Booking Arrangement.

Thirdly, and of most social significance, disabled passengers will not have the continued and interminable wait they currently endure.

We strongly urge IPART to make such recommendations to the Minister for Transport.

We note that Transport NSW has just now directed the 0200 Network to cease displaying destinations [on the first call]. Without consultation, involvement or the input from WATS Drivers. This is misguided, counter productive and basically stupid. This sector of the industry cries out for some adequate and independent supervision.

WATS usage as per Taxi Council Figures ... 254 WATS Cabs in NSW

	Monthly Total	Monthly per Cab	Daily per Cab
Radio Bookings	4000	16	0.65
Private Bookings	15000	60	2.50
Total	19000	76	3.00
RegularTaxi Average		1000	36

Taxi Cost Assessment

The arduous task of measuring the absolute costs of operating a taxi, or what IPART refers to as a "cost build up" is a task that the Taxi Council has fudged from its original and flawed Price Waterhouse Coopers study and one that both previous IPART inquiries have also avoided. It really isn't such a big job !

Taxi Drivers have already pointed out flaws and omissions. We do so again and, this time present an analysis for both the Single Cab and the Base Cab Model. We also draw IPART's attention to the information submitted to the 1999 Inquiry into the Taxi and Hire Car Industry by IPART. This information was submitted by the Taxi Council, Premier Cabs and TCS. One would only presume its veracity. Further detailed data came out of the Taxi Council's response to that Inquiry's draft report.

What amazes we drivers is that so much of this information given as recently as 1999 so closely supports our own conclusions. And so well reflects reality.

It is as if the PCW study was commissioned to build up to a point of exaggeration the operator's cost of operation. In one example, Uniforms went from \$400 to \$2400. Another example, tyres, detailed at 10 front and 6 rear went from \$1120 to \$2543 and on to \$2800 last year.

We can only trust that IPART looks a little more closely at what it so elegantly refers to as the 'weights' of the cost items. From the top , item by item

	IPART	Single Cab	Base Cab
Plate Lease	19500	0	20000
Vehicle Lease	8281	7000	6000
Insurance	12737	12737	11500
Network Fees	6436	6436	6436
Stand By Cab	0	0	1500
Govt Fees & Charges	739	739	739
Establishment Cost	1399	1200	1200
Garaging	0	500	500
Repairs & Maintenance	6854	5000	4500
Parts & Panels	10944	8000	7500
Accident Excess	0	500	750
Tyres	2800	1635	1820
Other	3484	1000	500
ATIS detailing	360	360	200
Operator Admin	12525	1560	2340
Operator Super	1002	140	210
Uniforms	2400	450	510
Driver Entitlements	3731	3731	3731
Total Costs	\$93192	\$50998	\$69936
Total Pay Ins	\$70923	\$70923	\$91884

From all of this we conclude that realistic, and in some instances generous, assessment of all of a Taxi cab's operating expenses reveal that the Operator of a Single Cab has costs of \$51,000. A Base Cab has expenses of \$70,000.

A Single Cab can expect to obtain revenue from Bailment and incidentals of \$72,000. A Base Cab obtains \$93,000, on 47 and 52 week cycles respectively.

From Fares earned in a Single Cab of \$152,000 the Drivers end up with a taxable incomes of \$52,000. For a Base Cab with total Fares of \$195,000 the Drivers get \$64,000. Drivers' plural. Income per hour \$8.90

Profit Margin for Operator .. Single Cab \$21,000 Base Cab \$23,000

The conclusions we draw from our analysis of Taxi Operating Costs are that the current level of Drivers Bailment Expenses more than adequately cover the Operators cost of operating a Taxi. For a Single Cab with an owner driver, his margin is more than equal to the opportunity cost of leasing out his plate. \$20,000

A Single Cab leased and driven by a lessee driver obtains no profit margin.

A Base Cab operating with maximum utilization of his vehicles has a profit margin of \$23,000 per cab. At 47 weeks he breaks even.

Other than for verifiable and substantial increases in actual costs we see no reason for a Fare Increase on account of Operator's operating costs.

The TWU is moreover taking action such that the cost to Drivers on Method II Fixed Pay Ins of Fuel and Wash will revert to being an Operator Cost. Our analysis confirms that an efficient Base Cab operation has the capacity to absorb such a cost within its existing profit margins. The Owner Driver and the Lessee Driver are already paying half such costs as a function of their own driving. They will be affected by this reversal of costs.

But, inasmuch as the TWU is also seeking an increase in Fares in respect of the Drivers' operating costs, and full recovery of the cost of Fuel and Wash, that impact, referred to above will be reduced by their increased income from fares.

The increase sought for Drivers' operating costs, and the introduction of Superannuation will provide a level of fare retention that equates to drivers almost achieving a "wage" level of the NSW Minimum Wage. Shifting the burden of Fuel and wash expenses back to its historically correct place within the bailment agreement as a Bailor expense [as it is in Method I] will result in a reasonable level of income for Taxi Drivers. Almost as much as a NSW Bus Driver gets on a 38 hour working week.

We would like to see IPART resolving the issue of Taxi Operating Costs by determining a verifiable and defined cost index or index that henceforth may be used by all parties in substantiation of fare applications.

Taxi Operating Costs

Operator Costs

The TWU and its member drivers have, since the start of IPART's role in the Taxi Industry, queried the methodology and quantum of Operator Costs. The historical variations since the initial inquiry in 1999 to the figures applied in 2002 are staggering; and they have a significant impact on analysis.

A table showing these variations is attached, and of itself, it mandates a detailed examination of those cost items.

An extract of a published letter from the Director General of Transport NSW to Mr John Bowe of the Taxi Council, dated 12.11.02 is attached

" ... The terms of reference are attached. However, as you are aware, for both the 2001-02 and 2002-03 fare reviews, the IPART made comments regarding the appropriateness or otherwise of basing any fare changes solely on cost index approaches. As such, the Minister has asked that, as part of its 2003-04 fare review, greater emphasis be given to an assessment of the cost items used in the index....."

With the limited resources available we conclude an Operator operating cost of \$51,000 for a Single Cab and \$70,000 for a base cab. We have actually added cost items that the Taxi Council forgot, and, in particular rationalized the "proxy" for Operator profit that has been claimed as " operator salary equivalent"

Much of the theoretical basis of our reasoning flows from the studies of Professor Des Nicholls of the ANU, as submitted by Canberra Cabs and the Canberra Taxi Proprietors Association to the ACT's ICRC Inquiry of 2002.

See attachments.

We are amazed at the differences between a study from Operators in Canberra with an independent consultant, and those of the NSW Taxi Council with a commissioned consultant. The contrast is even more marked when compared to the figures, submitted with presumed honesty and good faith, by the Taxi Council to the 1999 IPART Inquiry.

The interest of the TWU in this matter is partly one of a desire for due and proper process, and partly because a more accurate analysis of operator costs would establish the capacity of an efficient industry to meet the costs of Fuel and Wash, and retain adequate profit levels and not require any increase in fares to flow to Operators.

A well run base taxi operation, with its cabs on the road, makes money for the Operator. There is no need for IPART to be confounded by inflated costings such that the community need subsidize Operator inefficiency

Vehicle Lease Payments

This started life with PWC as the average cost of new and second hand two year old vehicles, half Falcon Forte, half Futura. They had a five year / four year lease at 8.25% and a 10% residual.

The Urban assumption however quoted 95% of the fleet being second hand.

2001 costs \$8090 2002 costs \$8281

But in Canberra, with a depreciation rate of 33%, and an interest rate of 7.5% on a mix of vehicles with a properly allocated aging and with a high of 70% new and only 30% second hand we find a lease cost of \$6271

Just where does reality come in, and what about some hard verification.

We have assessed \$7000 as a Single Cab cost and reduced the Base Cab to \$6000.

Over to IPART.

Insurance

Insurance is set at \$12,737, and assumes a 50 /50 split of Operators having full Comprehensive Insurance and self insuring by having only Third Party Property insurances. Several of the larger bases have their own, linked, Smash Repair facilities and are the preferred workshop of their Insurer. Cost variations will occur but are difficult to quantify.

A realistic 30% no claim bonus and an \$1000 excess is also factored in. Our assessment includes a \$500 item for Accident Excess, and some wonderment why the Taxi Council and PCW forgot this incremental cost item. We would quibble however over the methodology of calculations, as the average used on half new and half secondhand vehicles is a 'first' year figure and does not appear to account for diminishing costs over the life cycle of the vehicles.

Green Slip Insurance is non negotiable, and the Workers Compensation Insurance is one on which variations are possible, but not legal. It is worth noting that one of the advantages of a two operator leased cab is the avoidance of Workers Compensation Insurance [\$2020 a year]. We have left the Single Cab on \$12737 and reduced the Base Cab to \$11.500 IPART needs probe this whole section of costs a little further. It would seem that there must be some benefits to be obtained from bulk and self insurance, or else there would not be a reason to so act.

Network Fees

Correct, no doubt, but the doubts arise from the monopolistic control over the level of fees determined by the dominant CCN, and its parent company, Cabcharge. \$6436

Government Charges

Correct, and possibly the only item totally verifiable. A query arises however from the fact that of the 5924 Taxis in NSW there are 3891 Operators, according the TCHB, but the Annual Report of Transport NSW indicates total fees from operator licensing of \$1,702,000 or some 6550 persons paying \$260 a year to call themselves taxi operators. Still, \$739

Plate Lease Fees

These have come to be a part of the operating costs of Taxis as a mixture of opportunity cost and actual expense. Where the plate licensee [the owner] is also the operator this is an opportunity cost, but not necessarily a real cost expenditure. It is a real cost where an operator is leasing the plate from its original owner. Currently in Sydney a plate costs \$300,000 and it leases out at \$400 a week.

We would suggest that the Single Cab Model calculates the opportunity cost within his margin for profit, and the Base Cab Model counts it in actual costs. This approach is confirmed by the inclusion of Operator Salary Equivalent, or management administration costs within both models. Base Cab \$20,000.

It would be helpful for IPART to elucidate this item.

It is very useful to note that the inclusion of Plate Lease Fees contains the implication of a [guaranteed] 7% return on capital . This is down a bit from the 8.3 % of 2000, but there have been some other influences. Logically, can this expected rate of return also be applied to the Operators' expectations. If so, a margin of 7% on the \$70,000 annual investment would yield \$5000 a cab. This is in fact consistent with our calculations that indicate a breakeven point of 47 weeks 5 day / 6 nights for the base cab. Each shift thereafter accrues \$5000 profit for the year, each week accrues \$1750.

This has to be adequate motivation for efficient utilization of the fleet.

Annualised Establishment costs

Again, there are methodological problems in the Taxi Council Submission of 2002. Apart from an increase due to extra items being added in, the increase in this item is due solely to amazing increases in Newcastle. A LPG conversion cost \$400 more in Newcastle than in Sydney. The labour component is \$700 more, and the stick on decals for livery cost an extra \$330.

Interestingly , labour is for free in Wollongong and on the Central Coast.

Minor detail again , but a lack of veracity.

And , anyway, would not a new vehicle, bought as a Taxi Pack, come fitted with LPG ? Why is the annualisation for this item over 4.7 years ? In any event \$1200 each.

Table 7: Establishment Cost elements [Taxi Council Submission 2002]

Cost Element	Urban	Sydney	Newcastle	W'Gong	C'Coast	Urban Ave	Urban Change
LPG Conversion	\$1,500	\$1,800	\$2,200	\$1,800	\$1,900	\$1,814	20.93%
Meter	\$572	\$610	610	\$610	\$475	\$608	6.29%
Roof Sign + fitments	\$198	\$412	517	\$412	\$400	\$415	109.60%
EFTPOS (install)		\$139	---	---	---	\$129	na
Camera	\$2,380	\$2,772	2,772	\$2,600	\$2,000	\$2,756	15.80%
Livery		\$109	440	145	70	\$120	na
Alarm (install)		\$339	---	---	---	\$315	na
Other		124	130	---	---	\$115	na
Labour		274	970	---	---	\$254	na
Total	\$5,178	\$6579	7639	\$5,567	\$4,845	\$6,562	26.73%

Source: Stratacom CCN supplier and fitter: Regional Networks. Camera costs not applicable for country areas.

An survey of establishment costs in Country areas has found no movement from the IPART annualised estimate of \$700.

Maintenance Labour & Vehicle Parts and Panels

As might be expected, these items are most contentious. The current IPART costs total \$17798 with adjustments they made to the Taxi Council submission of 2002 of \$21897. If however one looks at the IPART 1999 Submission by the TC and takes out Tyres and Accident Excess a net " Service and Maintenance Budget " of \$11449 results. If one looks further to the Canberra Cabs Submission of 2002, which exhibits considerable detail, the total there is \$11690 or \$12859 with GST The extra items that bring the total in other ICRC tables up to \$13647 are taken up in the Taxi Council by Annualised Establishment Costs See attachments.

Not merely because it suits our argument, but because it better reflects reality, we would make an assessment for the very comparable NSW Taxi of \$ 5000 in Maintenance Labour and \$ 8000 for Vehicle Parts and Panels, for a single cab.

It should not be especially difficult to verify.

IPART has accepted with reservations, the figures of the Taxi Council of \$6958. This is arrived at from: 18 services a year of 3.33 hours @ \$66 hr and 4 hours a month @ \$66hr The comment was made that this was on the high end of the scale.

The Taxi Council points out that this figure is appropriate for a well maintained Taxi. But in the attachment to the TIA Response in 1999 we can see the following Service details:

Routine Vehicle Service 26 @ \$45	\$1170
Motor Tune Up 6 @ \$200	\$1200
Wheel Alignment 6 @ \$25	\$150
Meter Conversion 1 @ \$100	\$100
Air Conditioning 1 @ \$1500	\$1000
Gear Box 1 @ \$1200	\$700
Both Gear Box and Air Conditioning were for parts and service	

A total of \$4230 for Service costs was thus submitted to IPART's 1999 Inquiry. If those figures were genuine and reliable [and well hidden] how can there be a leap to \$6854. Even with 10% for the GST there is a big difference.

IPART pointed out that the bundle of goods which this cost represents is unknown. It certainly is a moving basket. Each time it is quoted there are new items added or old ones removed. Surely a fixed reference point can be established and one with frequencies of usage. The ICRC study leads the way.

Again IPART can look to the attachment quoted and determine a figure of \$7229 for Body Parts against the \$10403 in the cost model. If the four other items in the new Parts Basket are added we come back to \$7709. Does the average owner/driver with one bailee actually have several major accidents a year? What is the cost for a self-insurer? And should this be here, or is it an Insurance cost, or a separate item? A little more substantiation would be helpful.

Interestingly, Tyres are costed in this set of numbers at \$1120 a year. A far cry from the PWC figure of \$2543 or the \$2800 in 2002.

Even more statistically interesting is the derivation of the \$15043 now quoted as indexed parts prices. Half the 44.6% increase comes from one item alone The Air Conditioning Compressor. A quick reality check of offers in Meter Magazine [the Taxi Council's own journal] reveals the reality of market place pricing. But what is the connection between this basket of parts and the index total. And when multiplied by the frequency of parts used [3 Batteries, 12 front and 6 rear brakes and 2 alternators] the March 2001 basket becomes \$4044 and the March 2002 is \$5104. A percentage change of only 26%. Even with dodgy prices.

Sure we are looking at index changes and not quantum costs, but at least start on a correct base.

We suggest \$5000 for Service and \$8000 for Parts is a reasonable figure. For the Base Cab using its own facilities, and buying at wholesale prices we have reduced the totals by \$500 each.

If the Taxi Council cannot be bothered to check its own figures, or to provide a workable model, we suggest that the Canberra Cabs version be accepted by default.

Cleaning

The cost of vehicle presentation for the periodic ASIS inspection. Cynically, we wonder why such is not the constant state of cleanliness, or more cynically, if, when the base is also an inspection station what is the real state of preparation. \$360 and \$200

Tyres

The obtained figure of \$2800 flows from 175000 kms a year x 35000 kms usage x \$115 a tyre.

In Meter Magazine January 2002 (and no doubt subject to action for false advertising) is a report of Monoform retreads achieving 105 000 kms usage and an annual cost of \$300. More generally, what proportion of Taxis would regularly be fitted with new tyres, and what is a realistic average of usage.

The NSW Taxi Council in its 1999 submission to IPART and as quoted as an attachment in the Response to the Interim Report, costs tyres at \$70 and usage over 175000 kms as 10 front tyres and 6 rear tyres which is an average of 43750 kms. And an annual cost of \$1120. The ICRC in Canberra gets 45,000 kms per set of tyres also.

At 4.55 sets per base cab on 184,000 kms and even at \$100 a tyre, the cost is still only \$1820. For the Single Cab on 142,000kms and new tyres the cost is \$1635.

Would a base be buying tyres at wholesale or retail prices ? Retread or new ?

The Taxi Council is taking a very idealistic approach to create a cost structure in the best of all possible worlds. As a Driver whose Monoform tyres slip at the first sign of rain I would be delighted to have non retreads on my cab.

Once again, to have a reasonable basis for a Cost model , there must be an effective and properly costed set of component numbers. And what can justify the changes from the 1999 submission to the 2001 version. Were those numbers really so far wrong ??

\$1635 for a Single Cab and \$1820 for the more used Base Cab.

Operator Salary Equivalent and Superannuation

This is the largest single item of exception. It must be assessed by IPART and a workable direction given.

Administrative hours have been put at 10 hours a week per cab . In other sources [both the TIA and IPART] the figure is a much more realistic three hours. But if this is in the model on a per Taxi basis the results are bizarre at the least.

A base of 12 Taxi's winds up with 120 hours or 3.5 full time managers ????

It is quite possible that the single cab operator puts 10 hours of administrative work into his business. It's quite a different proposition that each cab requires 10 hours of management input. This point was taken up by IPART last year, but the misleading numbers are still there, and still continue to distort reality. Even three hours per week per cab is unreasonable.

The figure of \$12,525 represents Average Weekly Earnings of \$843 divided by average weekly working hours of 35 to an hourly rate of \$24.00 times 10 hours on 52 weeks. . Quite comparable to a driver working 60 hours at \$9.00 an hour.!!!

The ICRC submission by Canberra Cabs works on a more logical basis:

Administration Labour per Driver 5 mins per shift
Plus 30 mins per week
Plus 30 mins per month
Plus 30 mins per quarter
= 53.33 hours a year @ \$13.16 per hour
= \$702.00 per year per driver.

Using the \$14.73 award rate we get \$780 per driver per year. And an hour a week per driver. For the base cab we allow for three drivers although there are only two per day. This should more than allow for additional work with casual drivers.

What is really happening here it that this item is being used as a proxy for Operator profit. Why not cost that in as the valid item it is in it's own right.

Why not use as a starting point the figure that , say , TCS or CCN charges to manage a cab. There would be less to argue from those numbers

Operator Superannuation should relate back to a realistic figure of Salary Equivalent. 9% of a reasonable administrative labour component is \$210. Of greater import is the logical conclusion that Drivers also should be entitled to a consideration for Superannuation.

\$1560 / \$140 for the Single Cab and \$2340 / \$210 for the Base Cab

Driver Entitlements

Despite the acknowledged records that indicate that driver entitlements are seldom, if at all, paid; we at the TWU would optimistically include this amount in the operating costs schedule. Hopefully, operators will come to recognize their statutory obligations and actually pay drivers their Holiday Pay and Sick Pay.

If and when the proposed Network and Operator Standards are implemented such a cost will be less optional. At the moment this substantial item simply accrues to operator profit margins.

Theoretically all Permanent Drivers are entitled to five weeks Paid Annual Leave and eight days Paid Sick Leave. Standard Long Service Leave entitlements are supposedly available also. Casual drivers have no entitlements.

Of interest is the fact that Permanency is only established by regular driving for five shifts a week; that is a total of 60 hours a week. The Annual Leave component is worked out at the determined hourly [downtime] rate times 40 hours.

To earn enough from fares to make the Fixed Pay In , a driver must work the full ten to twelve hours, even though the minimum for a shift is nine hours.

The Industrial Relations Act proscribes awards of more than 38 hours of ordinary working hours. It would be appropriate for this requirement to be adopted by the Taxi Industry.

The amount of \$3731 is therefore included, being five weeks plus eight days at \$114.

Reality would indicate that this is a proxy for operator profit margins.

Uniforms

Cost of uniforms is noted as \$2400 per cab . On the basis of the model of an owner driver plus one bailee this is an over statement of around \$2000. Even with the inclusion of six sets of uniform as quoted elsewhere in the PWC study it still doesn't add up.

The uniform entitlement of a Permanent driver is for multiple shirts and trousers and is for one set a year. The Network Regulations also cover the Operator to ensure that he can limit the issue to once a year per driver.

The approved uniforms as per TCS By Laws and their published costs from the Uniform Shop are:

	Permanent	Casual
Pullover	\$45	\$0
Jacket	\$45	\$45
Shirts	\$76	\$38
Trousers	\$56	\$28
Epaulettes	\$7	\$7
Socks	\$14	\$7
	\$229	\$125

[See attached sources]

For the model in hand of Owner + Bailee the figure should be \$460.

Interestingly, the TIA in the 1999 IPART Report and in the response to the interim report, noted a cost of uniforms as \$400 for the owner driver alone. How did this leap to \$2400 ? Once again the cost model lacks a factual base. And the effect of over costing these items is to undervalue the real , weighted, costs of Driver inputs. No doubt it also creates a suitably excessive model for creative tax accounting.

In Canberra, where a similar study seems to have been conducted with much more rigour and attention to detail, it is noted that the average uniform has a two year life. No such thrift in Sydney. Still \$450 and \$510 is a generous amount.

Other Costs

The overall approach of the Taxi council is highlighted by this item. It is a perfect illustration of misleading and incorrect detail being absorbed into the "index", washed over with a bit of double counting, unwittingly accepted by IPART, and morphed into respectability by the next submission. And exaggerated by a CPI index.

To be sure it is a minor item, but it serves to distort the cost analysis and downgrade the weighting of other items. Not on.

The PCW study says

“Other Costs

- Other costs of taxi operation typically consist of the following items.
- Telephone and Office Equipment[[service fee and maintenance]
- Accountant
- Training [operator / driver]
- Uniforms [6 sets .. 2 x 2 permanent driver 1x operator 1 x casual]

Estimates of these costs have been included in the analysis. \$3361

Other Costs IPART 2001 notes

“ The costs that fall into the ‘ other’ category have not been provided in detailThe Tribunal assumes that the model does not double count uniforms, as it is separately identified in accost item outside of ‘other’ costs “

The Taxi Council comes back in 2002

“ other costs were originally estimated via a bottom up assessment completed in the last fare review which sourced cost data from operator surveys. These costs have been adjusted according to Sydney Quarterly CPI .. “ No comment on the uniform query. \$ \$3365

The detail is lost but the sum grows.

Forgetting the contradictions of only two drivers earlier and now of three and a well clad operator: forgetting the exaggeration of \$400 a set of uniforms: and forgetting the training of drivers, we are left with a figure that might make sense for a single cab operation, but makes no sense whatsoever for a multiple cab operation

.
The ICRC and Canberra Cabs throw in heating [Canberra winters’] , a Computer and bank charges and still only gets \$2221.

It’s all not very important, but it indicates that the Taxi Council model is ill conceived, unverified and misleading. If it’s wrong on the little bits it’s wrong on the big bits. IPART needs two models and a reality check. We provide both. \$500 each will suffice.

Stand By Cabs

We have added an item of costs to allow for two stand by cabs per twenty base cabs. This would permit repairs, maintenance and allow for the inevitable break downs. This item also makes it possible to keep all the base fleet on the road for the full fifty two weeks. And there is still a day off a week as an extra. All that is needed is drivers, and we take up this point later. The Single Cab has neither the cost nor benefit of this item, But he has two days, a night and five weeks a year in hand. \$1500 a cab on a per ten cab basis.

Garaging Costs

Surprisingly no accounting for these possible costs incurred has been listed. The PTA required detail of maintenance garaging and local Council regulations generally prohibit the extended parking of commercial vehicles on the streets.

The TWU has therefore included the amount of \$500 as an annual garaging cost.

Accident Excess Payments

This item was included in the Taxi Council 1999 submission to IPART, as a component of Maintenance & Servicing, to the amount of \$2500 per cab.

Surprisingly again the PCW report dropped this item. Perhaps the single cab owner so carefully selects his driver, and avoids casual drivers, as to have no accidents. The self insured base, or the base with its own smash repair shop has no problem. Perhaps many operators[illegally] charge the excess to drivers. Lets add on \$500 a cab, and \$750 for the accident prone casuals at a base.

Bailee Driver Payments

IPART has yet to make a clear statement of " industry standard hours and shifts" [IPART p 18] , upon which taxi fare revenue is generated. Stakeholder criticism of the methodology thus far is absolutely appropriate.

There are comments that this Bailee Driver Payment, or Notional Driver Wages are : opportunity costs for driver remuneration ; a proxy for wages ; an assumption based on 36 % of assumed operator costs.

If these costs remain unverified, an assumption of 36% is totally meaningless. To then add an Average Weekly Earnings factor is an attempt to dignify the irrational.

To justify this as a measure, because otherwise drivers would be induced elsewhere, is to fail to address, recognize or comprehend the reasons why drivers drive taxis.

Too often it is a job of last resort, a second cash job, or the best that can be earned out of a limited choice. But now we offer consistent and coherent statistics, and with the current survey, will have verified proof of driver earnings. Per shift , per hour and per year. Let IPART make use of this touch of reality.

Driver Costs

IPART states on Page 8 of the Issues paper that ... " The driver's costs are fuel and cleaning the taxi." And ... " A driver's income is all fare revenue for the shift net of the GST and the fixed pay-ins to the operator."....If it were only as little or simple as that.!

The Driver's costs are in fact, and based on his activity being considered as a separate small business required to have an ABN ,and to submit GST returns, considerably more. To the extent that all the Operators operating expenses are included, so also must be the Drivers' operating expenses.

The driver's costs include

Fixed Pay in

Fuel
Wash
GST

Other Expenses

Our analysis has been costed on a shift by shift basis for Day and Night Drivers and details of the five items follow and are tabled.

Fixed Pay In

The Fixed pay ins are as noted by IPART, and they are a maximum figure. In theory it is open for a Bailee to negotiate with a Bailor for a lesser amount, or for the Bailor to post lesser amounts generally. In January, many bases do discount the maximum by up to 15%.

Noteworthy by its absence is any reference to those entitlements due to Permanent Drivers, such as Annual Leave, Sick Pay, Long Service Leave or Downtime. Probably because they are counted as a "cost" to the operator, even if seldom or ever received as income to the driver.

Fuel

Firstly there is the equity concern of making this a Driver cost. In classic Bailment theory this is a provisioning of the vehicle and should be included in the bailment charges. In the Taxi Drivers Contract Determination it is very clearly a part of the Bailors 50% commission share under Method I. And up to 1995 it was a cost to the Bailor under the presumed equivalent Method II. Since that time , when an interim variation was made it became a cost to the Bailee which has significantly reduced his share of fare revenue.

The cost implications of LPG Fuel on a Taxi flow from three parameters

Kilometers Driven
Fuel Efficiency
Price per Litre

To assess Fuel as a significant cost input [over 12% of the operating costs] we need detailed examination of each of the three factors. The PCW model falls short of such critical detail. We have a further problem inasmuch as Fuel prices have risen constantly and by a large amount in the recent past. The use of an index shows movements over time , but provides no current compensation. It is unable to fit the price spikes within a week into its measurement. And Sydney prices can leap 12c a litre for Friday night.

At the time of preparation of this submission, on April 14 there were Sydney wide prices of 45 c / Lt . On April 18, 2003 prices were 57c / Lt . On Tuesday, April 30, 2003 at Liverpool, LPG was on sale for \$0.409 a litre.

Using the Taxi Council's maximum kilometers per shift as the base of kilometers driven, we have 160 000 kms on a 47 week model and 205 000 kms on a 52 week model. The oft quoted 175 000 kms relates to a 52 week 5 + 6 cycle, which is used nowhere else.

Incidentally the double standards of the Taxi Council are evident in this measure as this kilometer rating is used as a " maximum allowable kilometers per shift, above which a driver must make an additional pay in of 49 c per km ". It is not therefore an average but a maximum.

Given that the Taxi Council and TNSW now have respectively claimed and agreed to a average trip of 7 Kms, this item needs refining.

Fuel Efficiency is a major concern to Drivers. A well tuned Taxi on a "highway cycle" is able to return 5 kilometers per litre as PCW suggested.

But in a "city cycle", at peak hour traffic and with a poorly tuned base cab, the fuel efficiency drops below 4 kilometers a litre.

In a situation where the Driver pays for Fuel, this is of no concern to the Operator. But it makes a big difference to actual operating costs.

Additionally, the use of the Air conditioning system increases fuel consumption by 10 %, as confirmed by the Department of Transport RIS at the time of the 2001 Regulations requiring use of A/C. This additional cost has never been factored into fares.

Price per Litre. The historical price from the previous year is not a good measure when the commodity has significant price volatility and spikes within the week. Our suggestion is that for this item a forward estimate price, able to be corrected post hoc , would be a better measure. It is unreasonable to expect a driver to get at best, a partial recompense, a year later for major costs he has solely borne the year before. Our reasoning would equally apply to Operators when they are required to pay for Fuel.

At the least we note a current price of 50 cents per litre. Given that already in April 2003 there are a significant number of LPG outlets selling at 60 cents a litre, we might reasonably expect IPART to factor Fuel in their determination at 55 cents a litre.

And at the start of May 2003 there are prices of 40 cents a litre. Quite a problem.

Overall, to analyse Fuel costs ,we need a model that has given parameters that are known , tested and agreed. We have submitted two such choices and ask IPART for a determination. As this is a major cost item, covering over 12% of Taxi revenues, it deserves closer scrutiny. We recognize that constant fare adjustment is not possible, and would suggest that price assessment be forward directed. The TWU is also moving in the Industrial Relations Commission to have Fuel and Wash revert to an Operator cost. The inequities would be the same in terms of price movement, but the incentive to properly tune and maintain vehicles would be most desirable. Operators have a greater collective market strength to obtain price concessions from a local LPG outlet contiguous to the base for the final fill of the shift. Our submission in relation to fares allows a differentiation between the apportionment of Fuel and Wash as to Driver and Operator.

Our submission for fuel costs is based on the Base cab model of 52 weeks, six day shifts and seven night shifts , a total of 195,000 kms a year, 4 kms / lt usage and a cost of 50 cents a litre Total \$18460

The alternate Single Cab model of 47 weeks / 5 days / 6 nights / 142, 000 kms 5 kms/lt and 50c is \$ 14335.

Wash / Cleaning Costs

Taxis are required to be cleaned and washed daily. Traditionally and unfairly this is a cost only to the Night Shift Driver, and currently averages \$10.00 a wash.

Obviously the total cost must relate directly to the total number of shifts driven. The current amount given in the cost index of \$2860 therefore indicates 286 shifts or 47 weeks at 6 nights a week. What is the number of shifts that we are to use as a framework for analysis? In our suggested Base Cab Model we have used 52 weeks and seven nights for a total of \$3640 And what additional expense by way of down time does the Driver incur in ceasing work for the 20 minutes to half hour of washing time. This is a regulatory requirement and not a casual option ... how is this to be costed ?

This expense has not been costed in the models thus far. But if Operator Salary equivalents are to be included as a valid operator cost, this item should be a valid driver cost. For 2003 we are generous enough of spirit to include it within the "other Expenses" of the driver at a much reduced quantum.

GST

Unlike other wages, the amounts retained by **Taxi** Drivers are subject to GST, Thus 11% must be deducted from total retained revenue before calculating Driver income. It is important that this item be noted as it is a very clear deduction from Driver Income. Again it shows up the abysmally low rates of Taxi Driver income. It is important to note also that the figures in this submission are on a per cab basis and not on a per Driver basis. Income or Driver Retention is shared between several drivers, permanent and casual and refers to a total working week of 140 hours.

GST is payable on the full amount of retained fares, after deduction of expenses. The burden falls more heavily on the Driver than on the Operator, for whom the net amount on which GST is payable is on his profit margin.

Other Expenses

The following items also come out of total fare revenues and impact on the final Driver retention. They are expenses incurred in gaining income, and importantly they are a reduction of fare revenue on a shift by shift basis as well as regular outgoings. The estimated cost / frequency of the items accumulates to \$ a year. We include as Driver costs however only \$ of that total.

Fare Evasions	\$25.00 per 5 shifts
Road Tolls not part of fares	\$5.00 per shift
Meal allowance	\$7.50 per shift
Mobile Phone Costs	\$2.00 per shift
Laundry allowance [theoretically an entitlement]	\$10.00 per week
Downtime for Taxi Wash time	\$10.00 per night
Down time for end of shift pay in administration functions	\$5.00 per shift
Down time for cleaning befouled cabs	\$25.00 per 30 shifts
[Cleaning Charges are almost covered by cost imposed on the passenger by the Regulations; they are not always collectible.]	
Refusal by Cabcharge / Operator of Dockets	\$50.00 per year
Down time for Casual Drivers for Taxi Breakdowns	\$100.00 per year
Driver's Authority Costs	\$40.00 per year
Driver's License Costs	\$50.00 per year
Down time for Police Reporting of Incidents	\$50.00 per year
Downtime for Court Appearances	\$150 per year
Purchase of Street Directory	\$25.00 per year
Incidental Stationery Items	\$100.00 per year
Union Dues [TWU]	\$360.00 per year
Purchase of Seat Lumbar Support	\$100.00 per 3 y
Accounting Expenses GST and Income Tax	\$600.00 per year
And	
Cost of Taxi Driver Training Course	\$1200.00 one off

A very conservative figure averaging \$15.00 a shift is calculated as actual costs. These amounts, whether actual losses or even greater, as opportunity losses have been ignored in the past because they come out of the driver's kitty and are assumed to be not worth counting. They are however a very real part of the expenses of a Driver ; as much as the Operator Salary Equivalent.

The total direct cost amounts could be argued as over \$20.00 a shift for a Friday / Saturday night driver. The cost of Training Courses is a major, in effect, capital cost to the Drivers. And given current driver turnover, is a significant amount that is nowhere else calculated. Nor is this cost any longer subject to Government Training Rebates.

Of anecdotal interest is that GST is still payable on Fare Evasions.

Superannuation

We also include at this point the proposed Superannuation Levy component. The TWU and Drivers are committed to the provision of Superannuation for Taxi Drivers, and recognize that this must come out of Fares. The most appropriate point of levy is on Flagfall, as was the case with the Safety Levy of a few years ago. From our calculations based on available data, a \$0.75 addition to Flagfall would most fairly raise fare revenue by \$10.00 a day shift and \$15.00 a night shift. This is the amount , on a shift by shift basis that we suggest as the Superannuation Levy, paid by the driver to the operator, collected and recorded, and paid into a Fund of choice. Fortuitously, a verifiable record of the number of shifts driven by driver for an operator would be derived as the often lacking proof for Holiday Pay entitlements. We acknowledge also that, when the IRC determines Pay Ins, there will be a need to increase Pay Ins to allow for the Superannuation payment. There may also be a need to rebalance the split of fares between Driver and Operator.

There will certainly be a need to monitor the payment made by the Driver, and the recording and payment into a Super fund by the Operator, and the regular advising back to the Driver from the Fund. There must be no possibility of these monies being diverted

Daily Driver Costs

	Days	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	
Pay In	\$118	\$128	\$131	\$141	\$159	\$180	\$180	\$139	
Fuel	\$23	\$27	\$28	\$28	\$33	\$37	\$37	\$27	
Wash	\$0	\$10	\$10	\$10	\$10	\$10	\$10	\$10	
GST	\$8	\$6	\$6	\$6	\$9	\$18	\$18	\$5	
Other	\$12	\$13	\$13	\$15	\$20	\$20	\$20	\$20	
Total	\$161	\$184	\$190	\$203	\$231	\$265	\$265	\$202	

Summary of Annual Driver Costs

	47 Weeks	52 Weeks
	5 days / 6 nights	6 days / 7 nights
Pay Ins	\$70,923	\$91,884
Fuel	\$14,335	\$18,460
Wash	\$2,820	\$3,640
GST	\$4,982	\$6,188
Other Expenses	\$7,661	\$10,140
Total Expenses	\$100,721	\$130,312

Taxi Industry Revenue

The revenue a taxi obtains is derived solely from the fares received by the Driver for the carriage of passengers. It is comprised of the chargeable fare including 'extras' other than tolls and tips. It is what, less his expenses, he pays GST and Income tax on. The expenses, deductible from his gross income, are Bailment costs, Fuel and Wash Costs and incidental expenses related to his work.

Subject to verification we are using \$195,000 a year as our assessment of the total revenue from Fares for a Taxi working 52 weeks of 13 shifts.

The revenue a taxi operator obtains, in Sydney, is derived from the Bailment charged to the bailee driver, as above, and incidental income generated from advertising on the cab. If he is a member of a Taxi Co-Operative he may also get dividends derived from payments by Cabcharge to the Co Op.

It cannot be more than the sum of Bailment Fees charged plus a bit for advertising and dividends. The absolute maximum would be 52 weeks a year, 13 shifts a week totaling \$92,000 and \$1,300 from advertising and an unknown amount of Co-Op dividends. Our base model assumes \$93,000 as theoretical maximum operator revenue.

If the Operator were to bail his cab on Method I his maximum revenue would be \$97,500 before Fuel and Wash costs.

There are clearly two parts to the Taxi Industry: Operator and Driver; and IPART, in assessing the cost of providing the service, must acknowledge that part of the costs of the driver form the revenue of the operator.

The operator does not directly obtain revenue from fares.

To be sure, and within a different jurisdiction, the increase in fares resultant from cost increases, is distributed to Driver and Operator by way of revised fixed pay in for each shift. No account in that jurisdiction [the Industrial relations Commission] is taken of increases in revenue.

In non metropolitan, and in a few, rare, cases in Sydney under Method I Commission Pay In, where fare revenue is divided on a percentage basis, an increase in fares does flow directly to the Operator. Possibly IPART must look at these matters, and incorporate them into the assessment.

If it were to do so, it is faced with the huge anomaly that the non urban driver and a few city drivers get 50 % of fares and the 12 000 other city drivers are getting, from IPART's own assessment only 33% of fares as their "proxy for driver income" now called "notional driver's wages".

Surely at this point IPART needs to take account of the social impact of their recommendations.

IPART notes that estimates of total fare revenue based on meter readings have not been supplied. It proffers a per cab income of \$149 000 based on extrapolations of Cabcharge's Australia wide revenues and a 75% cash component of fares. It quotes the well reasoned TWU 2002 estimate of \$154,000 of [5+6] shifts for 47 weeks.

But there are a number of other reasonable conclusions as to taxi revenue available. One is the Taxi Council's continued comment that " fares are approximately twice the pay ins ". Another is the verified submissions of Canberra Taxi Cabs to the ICRC. Another is the attested and detailed record of income of a Sydney Driver on Method I.

The single and most relied upon figure is obtained from the DOT study of 1998 as quoted in IPART Final Report of 1999 of 27 000 000 passenger journeys and radio bookings of 44% of all fares multiplying 193 weekly trips by \$18.65 for \$3600.00 a week and presumably \$169,200 a 47 week year.

In the Response to the IPART Interim Report the TIA comments ..

" ... our calculations assumed total revenue is twice the pay-in rates ..."

From this comment alone we can derive a figure of \$1767 for 6 days and 7 nights x 2 = \$3534 per week of \$184,000 a year. And we also note that the original equal sharing of the joint venture has swung against the Driver who now must pick up the increasing costs of fuel and wash.

A possible logical argument can also be advanced that Average Total Revenue is less than the sum of twice the Fixed Pay Ins plus Fuel and Wash costs. If it were more than such an amount, then Operators would contract for Method I Pay Ins [50 % Commission] as an income maximization process. That , in Sydney, they do not, is therefore substantiation of the average income levels.

The converse argument, for Drivers to elect a Method I Pay-In, since such would maximize their income is negated by their relatively weak bargaining position, the very considerable impact of being taxed on their full earnings, and the probability that experienced drivers earn marginally more on Fixed Pay Ins on busy nights.

Some of the figures advanced in previous submissions and reports may also be advanced as datum. They are quite difficult to reconcile with each other, and at best produce a range of possibilities.

Comparisons of Driver Earnings in the ACT are relevant, and if the kilometers on the road, average fares, and average percentage of hired times are discounted back to a Sydney average, the figures are useful. The ICRC concluded an hourly fare revenue of \$22.87 on 50 weeks at 6 day shifts and 7 night shifts [7150 hours annually] for an annual fare revenue of \$163495 on 206 000 kms. Factoring the ACT and Sydney average Fares would give a theoretical revenue of \$ 190 000.

A day by day estimate of earnings and costs is attached. This document has been developed out of personal experience, the trialing of the survey now being conducted, and anecdotal comment from other drivers. It also breaks up driver groups into 'new', 'average', and 'experienced'.

The Australian Tax Office benchmark of 87c a kilometer over 175 000 kms for Operators produces a total fares of \$152,000 as an Australia wide average which notes that Capital cities and the Gold Coast are significantly more rewarding.

The Transport NSW survey will produce verifiable detail from the April 2003 Survey. As a reminder, the 47 week, 5 day+ 6 night estimate is \$152,000 for a Single Cab. But, for the purposes of this submission we will use a fare revenue based on our recommended Taxi Model of \$195,000 for [6+7] shifts for 52 weeks of a Base Cab. We remind IPART that this model has been adopted with a presumption of maximum resource utilization in accordance with National Competition Commission guidelines. We stress again that social justice would not be served by calculations based on an owner's choice to operate his cab for only 47 weeks a year and 11 shifts a week. Fares set to compensate a decision to forgo available revenue are not justifiable.

Logically, this amount must cover all the operating costs of the Taxi service, or else the service must be seen to be running at a loss. Given that Taxi Plates are changing ownership or licensee holding for \$300,000 in March 2003, it is commercially unlikely that licensee / operators are making a loss.

Given that Plates are being sub leased for over \$400.00 a week, it is equally unlikely that lessee/ operators are making a loss.

A rational assessment would have to be premised on Operators making a profit. Since their absolute maximum revenue is \$93,000, their maximum costs must be some amount less than that. That "actual key costs" without even a factor for profit is in 2002 an amount of \$93,192 must excite some curiosity.

The problem arises however from the definition of the model. If we are using the 47 week 5 day 6 nights two driver model that can be inferred from the Issues paper and previous submissions, then we see that those same "actual key costs" of \$93,132 are to be offset against bailment charge of only \$71,000 plus advertising.

A loss of \$22,000 per taxi.

Niceties from IPART notwithstanding; cost index movements aside; this makes the Taxi Council model a farce!

Our Taxi driver models may well be in partial error [we are but humble and ill-resourced taxi drivers] but we have the inescapable logic on our side that a sustainable and obviously profitable industry must be based on revenues that exceed costs by a commercially acceptable level of profits from the actual operation.

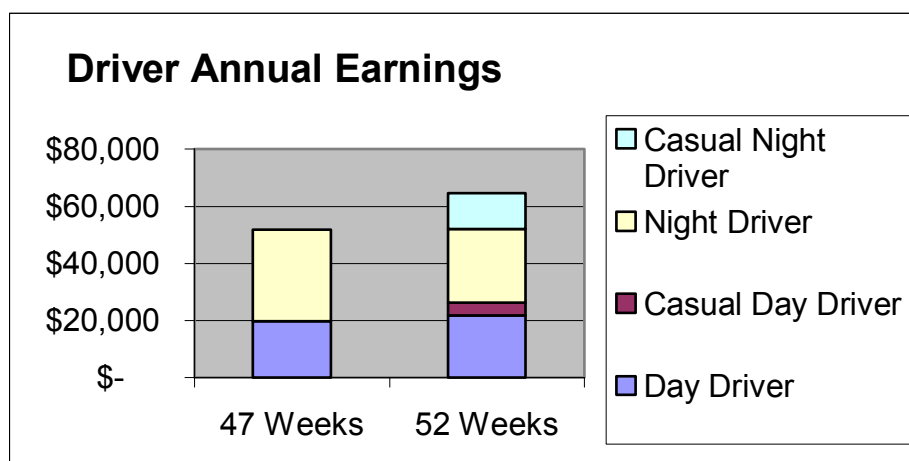
We object most strenuously to claims for a fare increase based on false and misleading statements of costs. We demand by contrast a fare increase that recognizes the true costs of

all parties involved in operating a taxi; and with especial recognition of the real wage needs of drivers and of their legitimate expectation to a fair share of a fair fare.

Our proposed models indicate considerably different cost inputs, that when applied to the single Cab Model returns a profit of \$20,000, and for a base cab a profit of \$23,000. A much more understandable scenario

And a scenario that enables Fuel and Wash costs to be met by the Bailor.

	Day Shifts	Night Shifts							6+7 Week	52 Weeks
		Monday	Tues	Wed	Thurs	Fri	Sat	Sun		
Fares	\$245	\$247	\$258	\$298	\$322	\$445	\$448	\$258	\$3,747	\$194,827
Bailment	\$118	\$128	\$131	\$141	\$159	\$180	\$180	\$140	\$1,767	\$91,884



Operator Revenue

The revenue a taxi operator obtains, in Sydney, is derived from the Bailment charged to the bailee driver, and incidental income generated from advertising on the cab. If he is a member of a Taxi Co-Operative he may also get dividends derived from payments by Cabcharge to the Co Op.

It cannot be more than the sum of Bailment Fees charged plus advertising and dividends. The absolute maximum would be 52 weeks a year, 13 shifts a week totaling \$92,000 and \$1,300 from advertising and dividends.

Our base model assumes \$93,000 as theoretical maximum operator revenue.

This figure assumes 52 weeks operation of six days and seven nights.

If the Operator were to bail his cab on Method I his maximum revenue would be \$97,500 before Fuel and Wash costs, based on average fare revenues.

The 52 days a year set aside from the Base Model, should be sufficient to allow for all variations, especially considering the provision in the model of stand – by cabs. Even with the traditional 15 /20% discount on pay ins in January the total revenue is a reliable amount. Whether all operators can achieve this usage is up to them, their organizational ability, and the supply of drivers.

We stress again that this revenue is independent of fares received by the driver. It is directly related in terms of money flow, but other than where the driver is also the operator, owner or lessee; bailment revenue is separate from fare revenue. The determination of fares must focus on all the operating costs and revenues, and not on the operating costs of the operator alone.

Of the many and varied estimates of taxi statistics, the quantum of Operator Income is the least disputable. In Sydney his median income is the Maximum Fixed Pay in per shift. For the purposes of fare assessment the utilization of the taxi cab should be based on an achievable maximum of an efficient operator.

Advertising Revenue

Advertisements return a useful \$1500 to \$2000 a year to participating operators. In recent years a new style of roof sign has appeared which is more aerodynamically efficient, but still a factor in increased fuel usage. But that is merely a cost to the driver. Rear window signage[see later] is an OH&S issue to which no satisfactory Regulatory attention has been addressed. The Executive fleets , and many other cabs do not carry ads, other than the Network and Cabcharge decals, so this is not a consistent cost item. We have allowed the lesser amounts of \$1000 and \$1300 for the two models.

Internal advertisements, nominally illegal, are increasing. Generally they take the ostensible form of `receipts' and are ignored by the Regulator. Income derived flows to the Networks, so this is not directly a revenue factor.

Co Op Dividends

Part of the original justification for the exemption granted from the Trade Practices Act on third line dealings to the Co-Ops and Cabcharge was that the Co Ops and their members derived a benefit from the Cabcharge surcharge. An amount , now reduced to around 4% of the 10% surcharge is payable to the Co-Ops [or their successors ?] who were the original proprietors of Cabcharge.

Presumably ,some of those proceeds eventually make their way back to the licensee /operator member. How much , who knows. Perhaps IPART might inquire, perhaps it might follow the income stream from Cabcharge to CCN and back to the parent Cabcharge.

Driver Availability

Whilst this submission has adopted the economic rationalist stand that cabs can be on the road 52 weeks, 6 days / 7 nights, we do acknowledge the reality that there may not be enough drivers to fill those cabs.

In the larger bases, particularly those with a reliance on Casual Drivers, there is a shortfall of drivers on the traditionally slow shifts. These are when a casual driver believes that he will not earn sufficient in fares to make it worth his while to drive. And so he does not offer for work. The permanent driver is stuck with his obligations.

The economic rationalist solution of dropping pay ins to match supply is not an effective solution. A 'set pay in' variable from driver to driver would be inequitable, and so the one 'pay in' would have to apply to all drivers on that shift at that base. Even then it would still not ensure full manning levels.

One solution might be to revert to Method I commission pay ins, possibly with a cap on maximum pay ins. This would ensure acceptance by drivers.

The increased retention from the fares flowing to drivers, as proposed by this submission, will however retain and attract drivers with the expectation of improved income levels. Until taxi driving achieves an adequate and reliable level of income and status of professional respectability there will continue to be problems of driver availability.

The notion that the current fixed pay in is a maximum and that individual drivers can negotiate a lesser amount, might be the case for a few permanent drivers. It is not the case in the open market for casual drivers, who continue, by and large, to treat their taxi driving as a job of last resort, and have no negotiation power.

The industry as a whole must work towards changing driver attitudes, by training, education and more simply, by paying more money. This last and most effective solution can be achieved most easily by IPART and the Minister for Transport adopting the fare levels proposed by the TWU , and its member drivers.

The incorporation of an effective self funded Superannuation regime will be no impediment to increased driver availability and retention.

Driver Revenue

Driver Income

In the last two inquiries, and in the various submissions, the amount that the Driver of the Taxi obtains as his income, has been the subject of much confusion. Partly because there has been no verifiable data as to the revenue from fares or the number of trips of an average Taxi, and partly out of what we, as Taxi Drivers, see as a desire for confusion and ignorance. We see the obvious anomaly of operator costs exceeding bailment revenue as a further instance of this desire for whatever reason to shroud the industry in a cloak of mystery and untruth.

We understand, as taxi Drivers, that many drivers do not wish to admit to their families, their other employers, or the Taxation Commissioner, the details of their work as a driver. In some cases it's simply tax avoidance or worse. In other cases it's a requirement of the regular employer to not engage in other work. But, with technology, the GST and our own aim of Superannuation, there are no more secrets. Accordingly we have and will continue to record in our submission details of fares and revenues.

The survey now being conducted will verify this and more information.

We therefore see no reason for loose thinking and looser terminology.

Notional Driver Wages, Bailee Driver Payments, the Full Cost of Bailee Driver's Labour, and assumptions of a percentage of operating costs that are themselves very doubtful are all unnecessary.

From the total Fare Revenue less Bailment and Fuel and Wash the Driver has a Gross Income. From this he deducts his Expenses and GST Payable to obtain his income. This is his taxable, net income from driving.

We repeat that the Operators income is the Bailment paid by the driver plus incidental amounts from advertising and co op dividends. The Operator does not get his revenue directly from Fares, other than when he is also the driver.

Because we are well aware of the commercial, social and political constraints that face the industry, we are suggesting no more than that fares be set such that Driver Income be at least on par with the Australian and NSW Minimum Hourly Wage Rate.

With a 60 to 72 hour, out of normal hours, working week for a Night Driver we are not even suggesting the sort of loadings that would occur in the normal workplace. Our proposed Fare structure would return a \$12.00 average hourly rate to Taxi Drivers.

We are not, in this submission, advocating an adjustment on an erroneous assumed notional wage in respect of annual movements in 'average weekly earnings'. Such an approach has been used in the past and it only perpetuates the injustice of Taxi Driver earnings so far below community standards.

We point to the "award" rate for Taxi Drivers of \$14.73 an hour and, for 2003, request no more than that we get an obtainable \$12.00 an hour.

Driver Turnover

One of the social factors that IPART need also consider is the impact of increased fares on the retention of drivers within the industry. With a new entry level of around 3000 drivers a year on an average participant level of 11000 active drivers, the turnover level is alarming. Given a personal cost of more than \$1500 for training to the point of obtaining an "authority to drive", such a fall out rate is little short of ridiculous.

What then are the reasons for such a fallout rate? There are a number of lesser reasons, such as perceived danger, generalized discontent, desocialisation, long hours, etc. But the principle reason must remain the inability of a new driver to earn an income commensurate with his efforts and expectations. Long term drivers, who have accepted the downsides of hours and conditions, and who have become inured to the difficulties of life as a taxi driver, can earn the minimum wage. Even if they must work 60 hours to get it. Our studies confirm this situation.

But for the new and even the average driver the current average hourly earnings are \$8.90 an hour, and less for a day driver.

It well may not be the only answer, but in terms of social expectations and community standards, there is a fundamental obligation on IPART to substantially increase fares to bring about acceptable levels of earning for all drivers. The TWU is mindful of the problems of too great an increase at any one point and therefore is seeking, in 2003, an increase of 10% on the distance component of the average fare. We are also seeking the introduction of a Superannuation levy of 75c per fare to provide drivers with the basic standard entitlement of other workers.

We note that a bus driver currently earns \$15.00 an hour on a 38 hour week, with community standard loadings for overtime, irregular hours and work on Public Holidays.

None of these are contemplated for the Sydney Taxi Driver. And yet, the Premier of NSW was at pains to detail how much of a debt and dues the State owed taxi drivers.

Such an improvement to the opportunity to earn \$12.00 an hour is neither a guarantee of greater income, nor a guarantee that drivers will stay in the industry. But it is reasonable, and reasonably likely to have such a result. IPART should take such a step in consideration of the social implications of this inquiry.

Method I / Method II

One of the more intriguing aspects of the NSW Taxi Industry is the almost complete adherence to Method II Fixed Pay Ins. There is a notional choice on offer to elect to bail the Taxi under Method I 50 / 50 Commission Pay In [where the Operator pays for Fuel and Wash out of his 50%]. At its factual simplest, there is no possibility of bailing a taxi on that basis. For 99.9% of Permanentists it doesn't happen. For Casuals, no way.

The Industrial Relations Commission, sitting in Court Session, in 1968 reported back to the NSW Parliament in what is known as the Beattie Report on the state of the NSW Taxi Industry. At that time, and in all probability, still now, the sole legal method of remuneration is by a commission based share of Fares.

Method II came into being as a shortcut of the paperwork involved in reporting of Method I, and with the very explicit concurrence of all parties, back in 1995, that the results reflected an equal sharing, and that the method was not to the disadvantage of either Bailee or Bailor. It has since become an unequal share, and the imposition of Fuel and Wash costs have made it inequitable as well. Recent years' interpretations of IPART recommendations by the IRC have partially separated the costs of each. But the inequity by which the bailee driver obtains but a net 33% of the Fare Revenue has been highlighted.

Operators benefit from a guaranteed bailment income from their taxi on the road. They ensure that service and tyre costs are covered by an excessive excess kilometer allowance. Drivers are led to believe that they are cloaked in anonymity in respect of their earnings and record of driving . Even experienced drivers are misled into a belief that they are better off with a Fixed Maximum Pay In forgetting the much greater benefits of a Annual Leave payment based on half the fares rather than five weeks of an unfairly calculated entitlement. And that Sydney has more bad nights than good nights in an uncertain world.

This is a major issue for the Industry: it is of relevance to IPART but beyond its terms of reference. Inasmuch as IPART has become the income fixing forum by default as well as the fare fixing forum, we look forward to the inclusion of this issue next time around.

The Harsh Reality

The table brings out very clearly the harsh reality of the Taxi Industry. When the big picture is assessed, the average cab, over a year, earns its average drivers a total of \$64,500. That sounds good. But it is an earning that must be distributed over at least three drivers and their families. That's not so good.

But when the composite figures are assessed the results are horrific. The new driver averages \$5.00 per hour on a Monday. On a Saturday night he builds it up to \$9.15 an hour. For five days driving he takes home \$250.00. For six nights he nets \$450.00.

He sits on the rank to save fuel and he sure don't pay GST, or any other tax.

So either he decides that its not worth driving on a Monday or Tuesday, or he just quits altogether. He never gets to be an experienced driver who can and does earn \$8.73 on a Monday and \$21.25 on a Saturday night.

And the Operators find that they do not have enough drivers early in the week, day or night. The circle turns around. What is the solution. ? Very possibly it is to go back to the widespread application of Commission Pay In where the driver gets at least half the fares.

That way, the new driver might earn enough to live on, and stay in the game. It will still take a year or so to learn enough about driving a Taxi in Sydney before he can effectively support his family, but it is a start. And Method I will bring back a bit of what used to be the spirit of 'co-adventurers' between taxi bailors and bailees.

50 / 50 Commission Pay In Method I

Fixed Pay In Method II

		Day	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	AVERAGE
New	Fares	210	210	220	250	280	365	375	220	\$266.00
	Total Costs	140	160	170	180	200	235	235	170	\$186.00
M I	Retention	95	95	100	110	120	160	160	100	\$117.50
	Hourly	9.50	8.64	9.09	10.00	10.43	11.33	13.33	9.09	\$10.43
M II	Retention	50	60	60	60	65	110	110	60	\$71.88
	Hourly	5.00	5.45	5.45	5.45	5.65	9.16	9.16	5.45	\$6.35
Average	Fares	245	247	258	298	322	445	448	258	\$315.00
	Total Costs	161	184	190	203	231	265	265	202	\$213.00
M I	Retention	103	105	108	125	133	185	185	104	\$131.00
	Hourly	10.30	9.55	9.81	11.36	11.56	15.42	15.42	9.45	\$11.61
M II	Retention	84	63	68	95	91	180	183	56	\$102.50
	Hourly	8.40	5.70	6.21	8.67	7.88	15.00	15.28	5.12	\$9.04
Experienced	Fares	275	280	295	345	365	520	520	295	\$361.88
	Total Costs	170	195	200	215	240	290	290	200	\$225.00
M I	Retention	125	128	130	156	165	235	235	172	\$168.25
	Hourly	12.50	11.64	11.82	14.18	14.35	19.58	19.58	15.64	\$14.91
M II	Retention	114	96	105	142	134	255	255	93	\$149.25
	Hourly	11.40	8.73	9.55	12.91	11.65	21.25	21.25	8.45	\$13.15

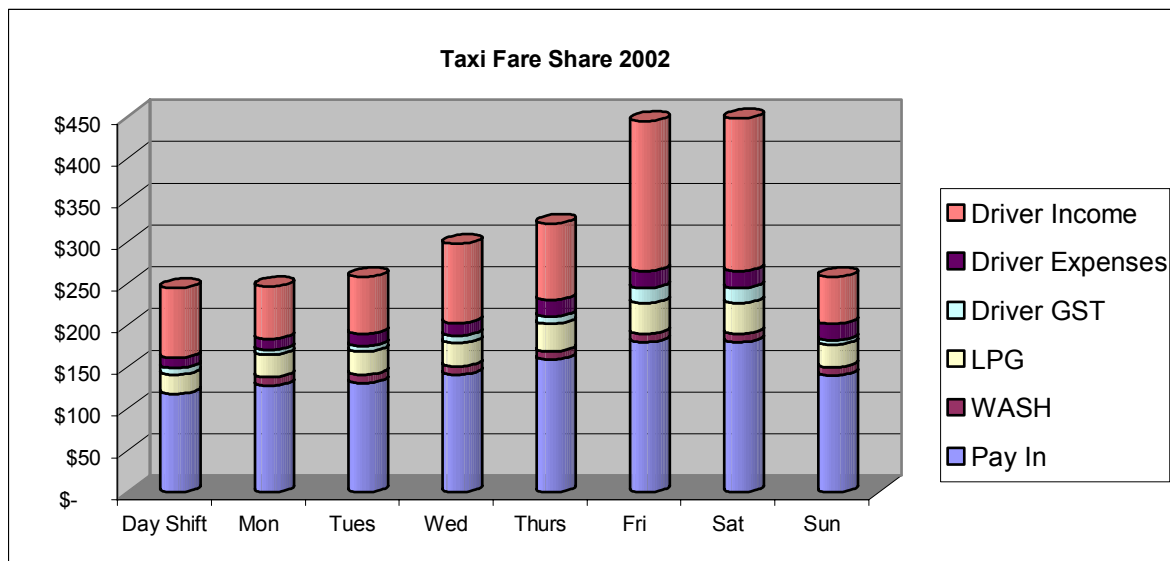
[This table has been adjusted to allow for GST and its likely non payment at low end earnings and deducts driver expenses to get Retention amounts] It shows the advantage gained on Method I over Method II for low to average earnings.

If there were a free choice for Drivers, the conclusions are that, other than for Thursday, Friday and Saturday Nights as an experienced driver, all drivers would be better off on Method I. If Annual Leave were to be paid on the actual earnings as in Method I, all drivers other than Casuals, are better off.

The essential problem is that for Drivers to be better off, Operators must be worse off. Result : Method I is not available as a free choice, if at all.

This is the crux of the Drivers' concerns, and the reason for this submission. The driver who puts all that he has to offer into the industry, gets the least out of it. To be sure the Operator needs to make a profit to be in business. The investor obtains a virtually guaranteed return. The Government collects GST. But the Driver gets the left overs.

We want a fare, split fairly, that gives the diver a living wage. The experienced drivers out there, are struggling to earn a decent income. The new driver has no chance. And it is his inability to survive that is destroying Taxi Driving as a functional employment opportunity. We desperately need a fare structure, and an increase in the fares, that will give the working drivers in the industry a fair share of a fair fare. IPART cannot create more fares, but it can recommend fair fares.



Fare Structure and Impact Fare Structure

The taxi fare is made up of several components

Flagfall Distance Rate Waiting Time Rate Radio Booking Fee
Luggage Charges Toll Charges Late Night Tariff Extras

Ideally, a fare increase should be applied equally to all components, assuming that the existing structure is by historical precedent, a fair and equitable fare for all parties. Reality is that the components need move differentially for both technical and equity reasons. Changes need reflect the priorities of all parties - Passenger, Driver and Operator and be within community acceptable parameters. Historically, a pattern has developed, and for convenience rather than reason, the structure could be maintained.

Sensibly, IPART suggests that the Fare Structure relate to supply and demand realities rather than strictly to associated costs.

There is no proven price elasticity between the price of the fare and the demand for taxis. Anecdotally and logically a fare increase will be responded to by a decrease in taxi usage. The Taxi Council in a submission to HREOC noted a 1% decline in usage for a 1% increase in fares for a period extending to 3 months before usage was restored to previous levels.

Nobody other than the Networks know or could know the facts. Perhaps the Networks could detail from their records of taxi trips a proof of this assertion in relation to previous fare increases. There would be logical differences in the patterns from user types ... casual private / business /tourist / late night reveler which would make analysis somewhat difficult, but not impossible.

IPART has been unable to shed much more light on fare elasticity. A great subject for an academic thesis, but there is no real current information.

At best, infrequent and small increases are likely to attract less comment and opprobrium or effect on usage than frequent large fare increases. An equal inequity however is a fare that is not responsive to significant changes to cost increases, either sudden or gradual over the period of fare stability. The cost of LPG is a point. To an extent IPART must look forward as well. It certainly must do so in relation to the impact of Driver Superannuation entitlements.

Extras

All other fare items are covered by the "Extras" button which is pre set to a fixed amount [currently \$1.25]. This setting is usually determined from the Radio Booking Fee, but for application to the other chargeable extras, there is almost always an incompatibility. And since the passenger is only required to pay the metered fare, there is always a source of conflict. Inevitably there is an over, or less likely, an undercharge.

Luggage Rates

We suggest that they be discontinued, as they are a minor item, seldom if ever charged. If charged they eliminate any tips a helpful Driver might reasonably anticipate. It would simplify the fare structure and rate notices to eliminate such fees.

Tolls

To continue as they are as a portion of the Chargeable Fare. A problem is that the "extras" button on the meter cannot cope with the variety of toll amounts around Sydney and there is always going to be a difficulty in correctly recording Tolls. For that reason we suggest that the Radio Fee always be a multiplier of the most common toll, the Sydney Harbour Bridge Toll.

Radio Booking Fee

We suggest that this be set at either \$1.00 or \$2.00 and be adjusted in line with it being a multiplier of the Sydney Harbour Bridge Toll. Historically its function was to reimburse the Driver for the running costs incurred from accepting a Radio job to the point of pick up. It was set to cover an average 3 kms and or the dead time to the Driver. With some networks using GPS for job allocation, this might be high. With other Networks doing work on "cover", this might be low. In any event it improves the likelihood of a quick pick up for a local job. And it is an acceptable charge to most passengers as a convenience / user pay cost. Reports from Transport NSW's Taxi and Hire Car Bureau to its Director General indicate that Radio Bookings are 34% of all hires, and not the 50% used elsewhere in calculations. We therefore use as a component of the average fare a 1/3 of a radio booking.

We note also that this imprecision in previous years has been a cost burden placed solely on the driver. We note also that cabs on the "trunk" mini networks appear to have greater percentage of radio work than the average. We wonder if the charges made by those cabs are legally part of the chargeable fare, as, strictly, they are not network bookings. ?

Another theory advanced, is that the Radio Booking Fee is in place to recover the Network Charges payable. This amount has been factored into the pay ins as an operator cost, but for an owner driver it is recovered directly. One third of the possible \$2.00 times 12000 trips gives a \$8000 recovery of Network Charges. \$1.00 would recover \$4000.

An increase in the Eastern Distributor Toll to a round \$4.00 has just been announced, [Thursday May 19th] with one of the justifications being the efficiency of two coins rather than the average of four. If this can be seen as a precursor to other such increases up to the nearest dollar, the Taxi industry could well lead the charge.

Accordingly, the Radio Booking Fee could be set at \$2.00, and the extras keyed in at \$1.00 increments. Alternatively, IPART might better reduce the Radio Booking Fee to \$1.00 and increase Flagfall to \$3.50. This might well be fairer in terms of the uncertainties of the real quantum of Radio Bookings. Average fares would stay constant. And a price reduction is always good news.

A reduction might impact on the preparedness of drivers to pick up short radio jobs, but if it is made clear that the flagfall increase compensates, this could be discounted. A 75 cent increase, to \$2.00, would no doubt be welcomed. Out of our social conscience we do not recommend such an increase however.

Our submission therefore is based on a \$1.00 Radio Booking Fee.

Late Night Tariff

No change is recommended to the Late Night Tariff Surcharge. From a Driver's viewpoint it has had the intended result of encouraging drivers to work and stay out late at night and maintain services. This Tariff surcharge was introduced as an incentive to Drivers to keep Taxi's on the road , available for hire, for that late night period when demand for **taxis** is historically less and an overreaction to the supply side had led to an even greater reduction of **cabs** on the road. Analysis of the success of this bonus surcharge could be measured by data available from the Networks.

At no point is this Tariff measurable in Operator Cost analysis, and to question its validity on the grounds of an unjustified imposition on the Passenger unsubstantiated by cost components is itself an invalid process.

Consideration should be give to extending the Tariff II to Sunday's and Public Holiday's to encourage **cabs** to be on the road. This currently applies to Country **Taxi** Operations , and there appears no reason to discriminate against Urban Drivers. Passengers have not objected to the tariff as they perceive a benefit in improved services.

There is a social interest aspect to the Late Night Tariff that needs be recognized and deserves comment from IPART.

By encouraging Drivers to stay on the road longer and later in the pursuit of the much needed marginal extra income, the Safety issue of Driver Fatigue and Fatigue related accidents comes to the fore. Certainly this is an issue for the Industrial Relations Commission and is a function of the **Taxi** Contract Determination, and an OH&S issue but IPART should consider the social implications of its actions in this area. If a reasonable income can be earned within the eight hours that the rest of the community works, there should be no reason to financially encourage to work outside the 38 / 40 hour week.

Overtime rates are, in theory, a penalty rate to discourage extended working hours and are not a bonus rate for extra hours.

The **Taxi** Council previously recommended that Tariff II be extended to the Waiting Time component of Late Night Fares. This is supported, as it would be a lesser factor for late night travel, when traffic delays are less. It would be necessary for meter accounting purposes to include Tariff II waiting time as a part of fares so that the Driver on Method I could deduct the "driver benefit component" from the calculation of 50 % of Chargeable Fares payable as his Pay In.

A straight flagfall surcharge would not have the same perceived incentive to drivers. It would certainly not produce the same revenue supplement. We strongly oppose such a possibility. Our cost analysis indicates that the 20 % Tariff II has an impact of increasing fare revenues by 2.3%. The various tables on Revenue incorporate this factor, which varies by day of week quite substantially. Network information of trips broken down by time of day would verify such assessment.

We therefore add an amount of \$0.37 to the 'average fare' to account for Tariff II.

Flagfall

Flagfall is the standing charge of a Taxi Hire. It originally covered the Driver's bailment cost of a hansom cab, and represented the basic fee for hiring a cab. Over time it has evolved into a balancing amount that provides the Driver a base income and has the function of modifying the distance rate such that a long trip is not too expensive for the passenger. If it is set too high it has the counter effect of reducing the incentive of passengers to catch a cab for a short trip. If set too low it reduces the incentive for a driver to pick up a short fare. The latter situation of course only arises if the driver knows in advance of the trip destination. This in turn is the much argued problem of the Radio Booking Service giving out destinations when a job is called.

The solution, if at all is for Drivers to accept that any job is a good job, and if by use of GPS [Global positioning Service] it is a close job, even better.

Where the number of trips can be determined as a constant average per shift, it is on Flagfall that a levy type charge can best be applied. This was done for the Safety package; we suggest it for the Superannuation levy.

A flagfall of \$3.50 would be appropriate for the next period. This would include the 75 c Superannuation factor and a 20 cent factor to compensate for the 25 cent reduction in the current Radio Fee.

Waiting Time

Historically, waiting time was set from the walking speed of a horse drawn hansom cab. The idea is thought to be to set a minimum rate at which it would be more expedient to catch a cab than to walk oneself. Over time this has evolved into a crossover point of 22 kilometers per hour as the minimum speed at which the Taxi charges by waiting time rather than distance rate.

IPART has noted this aspect, but not fully comprehended how it applies. Waiting time is charged in all areas when the taxi is stopped or traveling at a slow speed. This speed varies from state to state, as we are informed. The rate at which the charge is made also varies from state to state.

The concept is refined further such that the monetary rate of waiting time was roughly equivalent to the amount that would be charged if the trip was conducted at 35 kms per hour speed. This used to be the rate in NSW until arbitrary adjustments were made in 20001 and 2002. The finer points of this relationship have therefore been somewhat lost in recent years, as have the technical impediments in setting a rate that meters can actually measure. Transport NSW note a figure of 25.7 kms which is caused by the erosion of relativities in recent fare adjustments. The 35 kms /ph derives from a balance between average speed and passenger interests. All quite delicate.

Thus, for the current Distance Rate of \$1.45 per km the waiting time rate is \$37.35 or 62c / min or \$37.50 at 4.8 secs per 5 c jump with a 25.7 kmp speed.

At \$1.60 per km it would be \$48.00 per hour or 80 c a minute or a metered \$48.60 at 3.7 seconds per 5 c meter increment with a 30 kmh speed

Waiting Time varies together with the Distance rate, and should not be arbitrarily set. For future determinations the 35 kph relativity should be reintroduced. For the current matter the principle needs be re-established. This will cause a greater percentage increase than we would like to see, but one that is necessary to correct previous errors. We would therefore concede for 2003 that an interim speed of 30 kph be used as the first step towards a reversion to the historical norm.

The impact of the current waiting time regime can be measured by the first of our survey results. On a recent Friday night, of the six hours in which the taxi was hired out of twelve hours on the road; three of those hours were on waiting time and three were on distance rate. The driver earned a total of \$110 from the waiting time component and a total of \$460 from the distance rate. Or, waiting time earns 20% of distance rate on a time basis.
Not fair.

An understanding of the importance of 'waiting time' and its impact is critical to proper fare structuring. Waiting time constitutes about 13% of the average trip distance, but it also constitutes about 50% of the trip time on Tariff I and about 33% of the trip time on Tariff II.

This is relevant to the current model where the Late Night Tariff is not applied to Waiting Time, and the Driver has therefore no inducement [as was intended] on one third of his late night driving. Also unfair.

We suggest that Transport NSW attempt a more detailed examination of the "waiting time" aspect of fares. TWU members would happily assist.

Distance Rate

Distance Rate is thus the chief determinant of Taxi Earnings. It is the item upon which most statistical weight must fall to absorb cost increases of whatever origin. And it's also the item on which a cabbie makes his money for the shift.

Once a fair and equitable framework, or, in current parlance, an agreed cost index model is obtained, future indexed movements could be validly applied to this component. But for the present we must set a rate that can adequately provide an average fare that , to quote IPART,

" It will take into account that, for a sustainable industry, private operators must earn revenues that recover operating costs and earn a market rate of return on capital "

IPART Issues 2003

Our calculations of all costs [operator and driver], our modeling of taxi usage and management, and our assessment based on productively efficient utilization has produced a figure of \$1.60 per kilometer as an acceptable Distance Rate.

The various tables and attachments support our conclusions, providing full cost coverage and a return on capital to Taxi Operators and full cost coverage and an adequate return on their labour [which is the worker's capital] to Taxi Drivers.

It still represents an hourly rate below the National Minimum Wage Hourly Rate.

It does represent a 10% increase in this item, with which we feel completely at ease, and consider that the impact on demand will be quickly recovered.

The Average Fare

A statistically verifiable average fare is a necessary part of the deliberations of fair fare setting. It is crucial to the correlation of revenues, usage and performance. And at the moment it is an unknown.

Transport NSW has in the past assumed, for purposes of calculation, but without much substantiation, that the average fare is ... and its monetary value is ...

Flagfall + 10 kms	Distance Rate + 3 minutes	Waiting Time + 1/2	Radio Booking
\$2.55	\$1.45 km	\$37.25 hr	\$1.25
			\$ 18.54 Total

The Taxi Council has advised that its monitoring shows a 7 km average trip. Transport NSW has recorded that Radio Bookings constitute 34% of hirings. The Transport Data Centre has verbally advised a 7 km trip for year 2000. IPART Issues Paper affirms the TDC's advice, without substantiation.

Drivers' surveys tend to confirm a 7.9 km trip and 4.5 minutes of Waiting Time, with a refinement of 0.9 kms of the trip being conducted on waiting time.

We note also a general congestion of Sydney traffic, which is unlikely to ever be reversed, together with a general move towards an urban speed restriction to 50 kmh.

Slowing down traffic is unequivocally good; it also inevitably reduces the number of trips a taxi can do in a shift. Ergo, a reduction in Taxi revenue.

Information derived from the Taxi Survey being conducted by TNSW, and information recorded by the Networks, but not available to the Industry will confirm whatever is an "Average Fare".

In this submission we have based our arguments on a trip comprising 7 kms of Distance rate, 4.5 minutes of Waiting Time and 1/3 of a Radio Fee over a total distance of 7.9 kms. [0.9 kms of the trip being made whilst on waiting time rates]

We are ready to amend our conclusions on the verified results of the Taxi Survey.

General Comment

The authors of this Submission are amazed and dismayed at the lack of information on such a major commercial entity as the Taxi Industry. The lack of statistics, verifiable or otherwise is appalling. That IPART has twice called for help and information without result is incredible. But for our efforts the survey , now underway, would not be taking place.

The Networks have a vast amount of information to hand, which they for whatever reason withhold. Details by car, by shift, by time or period are within their systems. Detail of trips, radio bookings, on road hired / vacant times are all available.

The Network Service Standards, an integral part of the 200 /2001 amendments to the Passenger Transport Act and Regulations, would have obliged the Networks to provide data and information to Transport NSW. That the Standards are yet to be implemented is misadministration on the part of the Department. That Networks should be so 'commercial in confidence' as to withhold such necessary data is regrettable in the least. At most it shows intolerable arrogance and self interest.

We point out that the NSW Ombudsman's Office is currently investigating these matters and other related issues as they pertain to Transport NSW.

Transport NSW's own figures are interesting. They quote the number of Operators as 3891 but the Annual Report of Transport NSW for 2002 shows an item, wrongly called "Taxi Driver Accreditation Fees" of \$1,702,000 which equates to 6550 Taxi Operator Accreditation Fees of \$260. Given that half the cabs are owned by a single person, then 890 operators run 3000 of NSW's 5924 cabs, and 4000 individuals who hold operator Accreditation do not have a Taxi. Why ?

Of interest to Operators paying these fees would be the use to which they are put. In 2002 only \$661,000 of the \$1,702,000 was spent by the Taxi Advisory Committee. The balance went to 'accumulated fees in advance' as part of the \$3,100,000 sitting there and will no doubt join the \$6,600,000 accumulated over past years. What was planned to spend in the coming year is \$173,000 for three departmental officers, \$170,000 for Departmental Management Fees, \$65,000 for Secretarial and Meetings Expenses , \$72,000 on WATS Training, and a reimbursement to the Taxi Council of \$287,000 for its production of the Taxi Care Professional Programme. Total \$717,000 Balance \$1,000,000. ???

The IPART Issues paper also quotes some figures from the Transport Data Centre. We wonder what exactly is a ' child not in school' who take 1% of all cabs used by Sydney residents per day, out of his household income of \$19,008. ?? Are 2% of taxi users unemployed ??

The TDC survey asserts that 119,132 Sydney full fare paying passenger residents take a taxi on the average weekday [ie number of trips rather than number of passengers]. If CCN services 62% of the market with 25,000 calls per day, then the total of booking are 40,000 a day. The extrapolated total trips based on 44% of hirings being Radio Bookings is thus 90,900.

If the radio bookings are 34% [as estimated in this Submission] then the total hirings are 117,650 a day. But the TDC quotes 119,132 as resident trips alone. ??

And Sydney Taxis do carry a lot of non residents. And 32% of them make Radio Bookings according to IPART 1999. But how many ?? Our version is some 50,000 trips a day of our estimated 170,000 trips a day that is the total of 4700 cabs doing 36 trips a day.

Impact of Fares

Any change to fares and the fare structure will have some impact on Passengers. Since we have never had the opportunity to observe the results of a fare decrease, we can but conjecture what might be the results. As drivers we would not agree with the National Competition Commission that Driver income would increase as a result of fare decreases. Fare increases are likely to affect the different passenger types such that taxi usage will in turn be affected. The Tourist Passenger will be unaffected since he has no prior experience by which to judge fares. The Business Passenger, for whom the fare is a corporate expense, is unlikely to be affected, although there might be a short term crack down on taxi usage by businesses. The late night party going drinker will complain loudly and catch taxis anyway. The Airport Commuter [long distance trip] will have probably already converted to a negotiated fare with a Hire Car, and the casual ex-Airport fare will be happy to see more cabs at the Airport.

The one category of Passenger most affected will be the Local Short Distance Shopper without his or her own transport. We do have concerns for these taxi customers, who are of all, the most dependent and least able to afford fare increases. For them the balance of Flagfall and distance rate / waiting time is a critical factor. That is why we suggest a rate that will cause the least impact on a short , local fare.

There is even a case for IPART to suggest a \$5.00 minimum fare that covers the first kilometer/ 2 minutes.

Taxi Drivers can and do, on occasion, reduce the chargeable fare for their regular and needy elderly and improvident passengers. There is an even better case for the TTSS subsidy to cover the first \$5.00 as well as 50% or more of the fare.

We refer IPART also to our statement on WATS and WATS Fares.

Superannuation Levy

We also include at this point the Superannuation Levy component. The TWU and Drivers are committed to the provision of Superannuation for Taxi Drivers, and recognize that this must come out of Fares. The most appropriate point of levy is on Flagfall, as was the case with the Safety Levy of a few years ago. From our calculations based on available data, a \$0.75 addition to Flagfall would most fairly raise fare revenue by \$10.00 a day shift and \$15.00 a night shift. This is the amount, on a shift by shift basis that we suggest as the Superannuation Levy, paid by the driver to the operator, collected and recorded, and paid into a Fund of choice. Fortunately, a verifiable record of the number of shifts driven by driver for an operator would be derived as the often lacking proof for Holiday Pay entitlements. We acknowledge also that, when the IRC determines Pay Ins, there will be a need to increase Pay Ins to allow for the Superannuation payment. There may also be a need to rebalance the split of fares between Driver and Operator.

There will certainly be a need to monitor the payment made by the Driver, and the recording and payment into a Super fund by the Operator, and the regular advising back to the Driver from the Fund. There must be no possibility of these monies being diverted.

TAXI FARES PROPOSED

Flagfall	\$3.50
Radio Booking fee	\$1.00
Distance Rate	\$1.60 km
Waiting Time	\$80c / min \$ 48.60 per hour
Late Night Tariff II	20% on distance and waiting time

Average Fare	Flagfall	Radio	Distance	Waiting	T II effect
	1	1/3	7 km	4.5 min	
	\$3.50	\$0.33	\$11.20	\$3.60	\$0.37

\$19.00 Total

\$0.75 Superannuation Levy included in Flagfall to provide Superannuation of \$10.00 per day shift and \$ 15.00 per night shift.

This fare from one point of view represents a reduction on the current average fare of \$19.54. It represents a 23% increase of amended average fare as per IPART's issues paper of \$15.48. It also represents a 15% increase on a reworked fare including adjustments to Waiting time and Tariff II. 5% of the proposed increase is in relation to Superannuation. And Taxi Drivers have been effectively short changed in recent years by an increase being applied to an average fare that did not reflect reality. In the case of Radio bookings having been set at a half of all fares, the impact on drivers was to reduce their anticipated income by \$1500 a year. The shorter trip that takes longer to complete has cost drivers hugely ... an opportunity cost of \$35000 a year.

It is not really possible however to claim that the fares will have gone down or would go up by 23% since the presumptions on which the average fare is based have been changed. All we can say is that this fare structure addresses past errors of calculation and would provide a fair fare, returning an average driver with a minimum hourly rate that gets a bit closer to the National and NSW State Minimum Hourly rate. And provides the community norm of 'employer' funded Superannuation.

This proposed Fare Structure provides that the whole of the increase should flow to Drivers, at the point when the IRC in its turn determines Pay Ins for Method II. Should Operators move to the equitable sharing of fares implicit in Method I, they would necessarily receive half the increase immediately.

If the Taxi Council is able, in its Submission to substantiate the actual costs, or increases in those actual and verifiable costs, then there would be a case for fare increases that would flow to the Operator. Given the history of their financial statistics and conclusions in the past two inquires, we await such information without much trepidation. Given the presumed veracity of their 1999 Submission, our analysis will stand.

Service Quality

Taxi Drivers are obviously at the forefront of Service quality, reliability and safety. Their very livelihood depends on passenger satisfaction and continued patronage. There are a wide mix of Drivers, with varying commitments and reasons for driving. Sooner rather than later, most realize that civility and courtesy towards passengers increases the tips they receive; and that knowledgeable and efficient driving increases their fare income.

Out of reported 12,000 active drivers, there are going to be some duds. But the vast majority provide an effective and efficient service.

Of the two complaints categories that have increased in frequency, we would comment: 'demanding more than the prescribed fare' is partly a fault of being unable to correctly record 'extras', and partly a fault of an ill defined 'end of journey' being arrival at destination or payment for the journey.

'driving in a dangerous manner' is a very subjective comment that does not take account of the actual traffic incident / activity being responded to by the driver. Some OH&S input as to driving hours, fatigue and rest requirements might well be in order. This item is still only one in 150,000 trips !!!

The long delayed Service Standards would impose upon Networks obligations to offload jobs after 5 minutes and proactively require the meeting of delivery standards. That is why the Regulations already give the Networks the power to "direct to pick up". Why are these Standards still not in place ?

Of the 65 000 000 trips that we believe Taxis on NSW make each year is worth noting that the 3154 recorded complaints represent 0.0000485% or 1 in 20,000 trips.

Incidentally, nowhere are there verifiable statistics of the number of Taxi Trips. Everyone has his own version: we suggest ours is closest to reality.

Drivers are extensively regulated, monitored and bound by the Passenger Transport Act and Regulations and Network Rules. It is interesting to note that whilst customer complaints continue to decrease, the number of assaults upon drivers and evasion of fares actually increase.

The Customer Feedback Management System or Complaints System is proposed to be linked to the Networks. But Taxi Drivers are not part of the process. A driver cannot make a complaint through the Taxi Hotline. The problems that he confronts on a daily basis are neither recorded nor assessed. In a specific case a Taxi Driver who has been subjected to assault and evasion has actually been subsequently himself charged with assault arising from an incident he was unable to report. In another case, the driver's record with Transport NSW details a complaint made by a person who was charged with assault on the driver by the Police, yet the complaint detail makes no mention of that rather salient point.

Rather , the driver has a recorded incident of failure to behave with civility and propriety !!! Comment from the "Taxi Hotline" is that for a driver to attempt to register a complaint would be an invasion on the privacy of the passenger, and that it is therefore not acceptable. It is interesting also that the Service Standards that were an integral part of Transport NSW's Taxi Reform Package of 2000 and the Amendments to both Act and Regulations , are still to be implemented. They are in fact still being strenuously objected to by the Taxi Council, Networks and Operators.

It is most regrettable that information, required to be presented to TNSW under the 1993 Interim Standards, does not get delivered in a usable, presentable or reliable manner to the Regulator.

It might even be considered as maladministration that Transport NSW does not, as it is enabled to do under the Passenger Transport Act, demand, under penalty of suspension of accreditation, such other information as IPART has repeatedly requested.

As Taxi Drivers we strongly urge IPART to demand as a prerequisite to their own effective performance the provision of data and verifiable information on the Taxi Industry. Transport NSW should be applying its own Act and obtaining the information needed by IPART. The comments in the IPART issue paper on Network reporting is a little disturbing.

Are the Networks supplying the required data , or are they not ? If an industry wide picture of performance levels is not obtainable, why not ?

As Taxi Drivers, our comment is directed also to the Director General of Transport NSW: Why do you not implement the Service Standards that would ensure an upgrade of the quality of delivery of the services offered by taxis and determine performance and reporting standards.? We add one further comment.

Notwithstanding complaints from drivers to the Taxi and Hire Car Bureau and to the Director General of Transport about large stick on advertisements placed on the back windows of cabs, significantly obscuring rearward vision at night or in wet conditions, nothing was done. The ads were of a perforated print type, that totally obscured forward vision through the cab's windows for a vehicle behind the cab. Whilst they met the permitted tint related standard of 35 % of light transmission, and thus met RTA Standards, they are a safety hazard to drivers. The only comment was that the signage was in an "approved location" and therefore acceptable to Transport NSW.

Where drivers are confronted with situations that increase stress and make driving unnecessarily more difficult, and their Regulatory and Safety controlling body does nothing, a general attitude of dissatisfaction must develop. This can do nothing to maintain or improve service quality.

We hope that the new Minister, and his senior management team, take on these issues.

Fare Structure

Proposed Fare

Flagfall	\$3.50
Radio Booking Fee	\$1.00
Distance Rate	\$1.60 km
Waiting Time	\$85 cents / minute \$48.60 / hour
Late Night Tariff II	20 % on Distance and Waiting Time

Average Fare

Flagfall	\$3.30
7 kms Distance	\$11.20
4.5 minutes Waiting Time	\$3.60
1/3 Radio Fee	\$0.33
2.3% on above for Tariff II	\$0.37
Total	\$19.00

Conclusions

The prime concern of Taxi Drivers and their industrial representative, the Transport Workers Union is the income that Taxi Drivers obtain for their efforts and the protection of their social and economic entitlements arising from the work they do. We have a major interest also in ensuring a safe workplace environment.

We recognize the reality that without Passengers to pick up, or Taxi Cabs to drive in, there is no work in the first place. We are therefore committed to a fair fare for a quality service to the traveling public; and to a fair return to the Taxi Operator that covers his operating costs and a margin of profit on his investment .

We are aware of the need, and costs, of a booking service to efficiently match taxis with passengers; and to be an effective interface for standards and quality, monitored additionally by a regulator such as Transport NSW. We note the existence, in a regulated market, of Taxi Plate License Holders, and of the costs they impose on Taxi Fares. We note also the role of the National Competition Commission, and IPART, as having a function in deregulation of that part of the Industry and of the stated aim of an increase in Taxi numbers of 5% per annum. Over time, we anticipate that the increase in taxi fares be moderated by a decrease in the cost component of Plate Lease Fees. Over time also, we anticipate that efficient use of resources and maximized productivity should be the benchmark for cost and revenue analysis, based on verifiable data.

But for 2003, we are most concerned that the new and average Taxi driver in Sydney earns less than \$8.00 an hour and seldom receives his benefits or entitlements. He deserves and requires no less than \$12.00 an hour.

Our submission to IPART, and our concurrent application to the NSW Industrial Relations Commission aim at redressing that situation. We seek a base rate of return for Drivers of at least close to the NSW Minimum Hourly Wage Rate and an industrial environment that ensures payment of his normal community entitlements and the provision of Superannuation, and a safe working environment

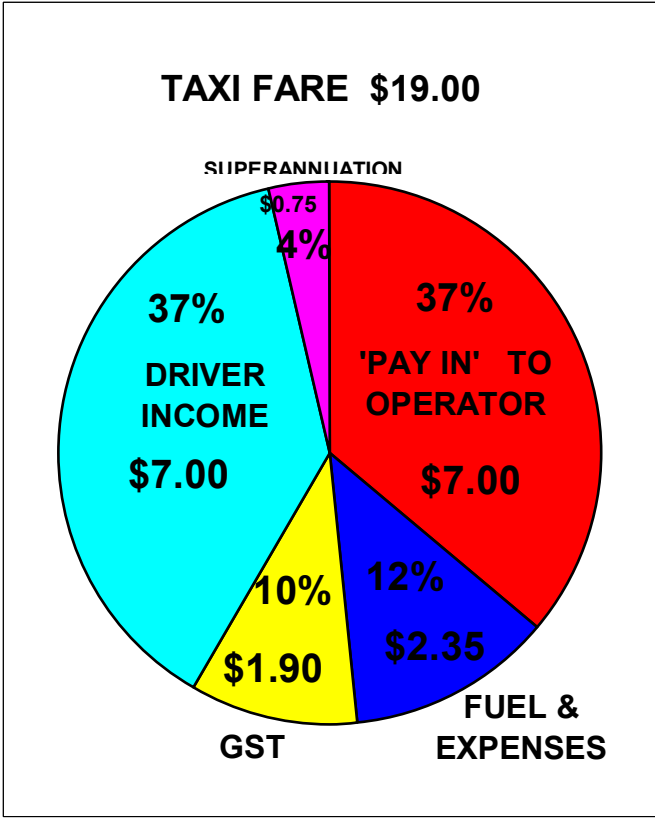
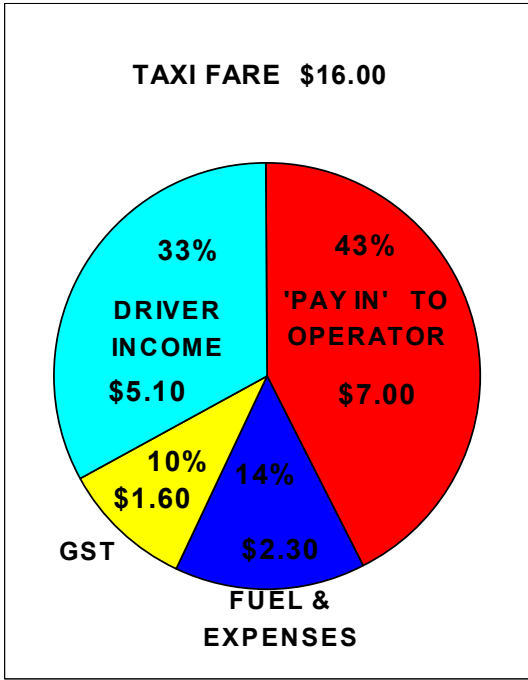
We will not do this solely at the expense of the Passenger or traveling public. We ask for the least increase in fares possible with a restructuring of industry practices and a verification of industry costs and revenues.

The fare increase we seek is fair and reasonable. It should go to Drivers alone.

Flagfall \$ 3.50 Distance Rate \$1.60 km Waiting Time \$0.85 c /min

Radio Booking Fee \$1.00 Tariff II 20% on distance and time rates

The average fare is based on 7 kms distance and 4.5 minutes and totals \$19.00. We propose that IPART make this recommendation to the Minister for Transport.



Tables and Attachments 2003 Taxi Driver Submission

1. Extracts from Draft Service Standards for Networks and Operators
2. Extract from Canberra Cabs' ICRC 2002 Submissions
3. Extracts from Canberra Cabs' ICRC Supporting Figures
4. Taxi Tyre advertisement – Monoform Tyres
5. Taxi Uniform Costs and Requirements
6. Taxi Council Response to IPART 1999 – Service & Maintenance
7. Method I Driver Records
8. Day Driver Fare Estimates
9. Taxi Cab Revenue and Expenses Comparisons
10. Taxi Driver Net Earnings Critical Taxi Data
11. Taxi Driver Revenue and Costs Dec 2002
12. Projected Revenue and Costs Proposed Fares
13. New Average Experienced Drivers detail
14. Method I / Method II Comparisons

This Submission has been prepared by Michael Jools, a Taxi Driver, on behalf of Taxi Drivers in NSW, and with the assistance of Taxi Driver members of the TWU for submission by the TWU [NSW Branch], to the IPART review of Taxi Fares 2003.

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Any enquiries should be directed to Michael Jools on 0419 27 27 44

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Attachment 1

DRAFT SERVICE STANDARDS FOR OPERATORS AND NETWORKS

EXTRACTS

1 INTRODUCTION

On 6 July 2000 the Minister for Transport announced the Government's package of further reforms for the taxi industry in New South Wales aimed at improving the level of service provided to the public and to provide clear assignment of accountabilities for networks, licensees, operators and drivers.

Integral to the reform package is the development of service delivery Standards for taxi networks and operators to support the networks in the delivery of taxi services. The purpose of setting such Standards is to ensure that taxi users are able to regularly receive a level of service consistent with the Standards.

The Government's latest taxi reform package has given the Department of Transport's Taxi and Hire Car Bureau (THCB) a clear direction to set and monitor Standards in the taxi industry. The Government is not focused on detailing how the Standards are met, that is a matter for the industry. The Government, however, has the role to set the Standards and to ensure the Taxi industry meets them.

1.3 BACKGROUND

In 1998 the Premier of New South Wales asked the Independent Pricing and Regulatory Tribunal (IPART) to conduct an inquiry into the taxi and hire car industries. IPART's Report *Review of the Taxi Cab and Hire Car Industries* was released in November 1999. A proposal in the IPART report is that taxi networks should take more responsibility for industry performance with monitoring by the Department of Transport (Department) through performance audits and penalties for non-performance. IPART recommended immediate and longer term strategies to:

- improve the regulatory basis of the taxi industry
- increase the availability of taxis
- institute regular public reporting of taxi service Standards, and
- establish cost recovery enforcement practices.

IPART's recommendations specific to service delivery Standards are that:

- the Department develop and publish at six monthly intervals the results from the measurement of the demand for and supply of taxi services (p. 39);
- that taxi networks be made directly responsible for driver performance and vehicle standards (p. 76); and
- that the Department amend taxi network standards to require Sydney taxi networks to be responsible for the service Standards provided to passengers with disabilities and that the Department monitor and enforce these Standards (p. 46).

In addition to addressing IPART's recommendations, the reforms proposed seek to ensure service quality, availability and safety in the long term. Specific strategies announced by the Minister for Transport include:

- new taxi network service requirements including minimum waiting times and taxi availability during the afternoon driver changeover and availability of wheelchair accessible taxis;
- a new taxi and hire car division in the Department of Transport, with extra staff to increase enforcement;

- electronic monitoring of each taxi networks' radio room to analyse whether networks fail to have enough taxis available in peak periods or respond too slowly to customer bookings;
- the introduction of quarterly reporting on networks' performance; and
- tougher financial penalties for networks with a record of poor customer service

1.4 LEGISLATIVE FRAMEWORK

The legislative and regulatory framework for the taxi industry comprises four distinct layers, being the Passenger Transport Act, the Regulation, Service Standards and accreditation conditions.

1.4.1 The Act

In late 2000 the Passenger Transport Amendment Act 2000 (the Amendment Act) was passed by Parliament.

Broadly, those amendments strengthen the legislative and regulatory framework underpinning the administration and regulation of the taxi industry. The desired outcome is to more clearly define the roles and responsibilities of each sector of the industry, the process by which each will be regulated such as by Standards or conditions, and the penalties for non-compliance.

Provisions of the Amendment Act relating to networks

These provisions set out the procedures for the authorisation of taxi-cab networks. They replaced the provisions previously contained in section 41 of the Passenger Transport Act 1990. Sections of the amended Act provide for conditions to apply to a taxi-cab network's authorisation.

Among these conditions is a statutory condition regarding Service Standards with which networks must themselves comply, and Standards with which networks must ensure taxi-cab operators and drivers comply. Particular emphasis is placed on the obligation of networks to supervise and monitor taxi-cab operators and drivers, and to provide facilities to assist the Director-General of the Department to monitor the performance of networks in the delivery of taxi services.

New section 34E(4) of the Act relates specifically to network Service Standards and states that:

"Without limitation, standards for an authorised taxi-cab network provider may make provision for or with respect to:

- a) requiring the network provider to accept applications for affiliation by, and to maintain affiliation with, accredited taxi-cab operators, so long as they pay the network booking service fees and abide by the rules of the network, and
- b) the rules of the network so far as they apply to taxi-cab operators and taxi-cab drivers, and
- c) maintenance of vehicles used as taxi-cabs, and
- d) safety of taxi-cab drivers and of their passengers, and

New Legislative Provisions relating to operators

These provisions set out the basic obligations imposed on taxi-cab operators in the provision of taxi-cab services. They replace certain provisions previously in the Passenger Transport Act 1990.

Sections 31D and 31E of the Act provide for the conditions of a taxi-cab operator's accreditation.

Among these conditions is a statutory condition requiring the operator to comply with Service Standards determined by the Director-General, including an obligation to comply with directions given by the network with which the operator is affiliated and an obligation to comply with contract determinations applicable to taxi-cab driver pay-ins.

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1.4.2 The Regulation

The Passenger Transport (Taxi-cab Services) Regulation 2001 incorporates changes resulting from the amendment of the Act in 2000. Many of the requirements previously contained in the *Interim Standards for Authorised Taxi-cab Radio Communication Networks* and the *Taxi Operator Accreditation Standards* have been transferred to the new Regulation.

1.4.3 The Service Standards

In setting the Service Standards the following principles have been followed:

" Service Standards must be based on the needs and expectations of the public. Good customer service should attract more customers because of a reliable and consistent service. This in turn should result in a more viable industry.

- Service Standards must be measurable.

- Service Standards' must be achievable.

" Measurement of Service Standards must be reliable. The quantity of data collected by the Taxi networks is considerable. The data provides a range of valuable information on the achievement of service Standards. To ensure public confidence in the measurement of the Service Standards, it is intended that a data link be established between the Department and the booking service of each network to facilitate the electronic transmission of the required data from networks to the Department.

- Measurement of Service Standards should result in better policy outcomes and improved industry management.

2.9 ACCESS TO NETWORK DATA

Section 34E (4) (I) of the Act provides for networks to be required to provide electronic monitoring facilities as required by the Director-General for the purpose of enabling or assisting the Director-General to monitor the performance of the network.

Information acquired via this mechanism will be used by the Department's THCB to gauge improvements in the taxi industry and to identify service delivery gaps. This information will be collated, analysed and released on a regular basis as a public report to provide greater transparency of the industry with a view to continuously improving the level of community satisfaction with the taxi industry. The following Standard will apply.

A network is required to provide the Department's THCB with direct access to:

- ***data on bookings and taxi availability for analysis and assessment of service delivery performance; and***

- ***any data requested for the purposes of monitoring the taxi service provided.***

A maximum penalty of 100 units (\$11,000) applies for failure to meet this Standard.

2.10 REPORTING REQUIREMENTS

In addition to direct electronic access to networks' data a network will also be required to report on a regular (quarterly) basis or on an ad hoc basis as necessary,

Such reports will cover networks' performance against key performance areas and any other information requested by the Department's THCB relating to the provision of taxi-cab services as required.

This information, together with the data down-loaded from the radio booking service database, will be used by 'the Department's THCB to gauge improvements in the taxi industry and to identify service delivery gaps.

Reports on the performance of the taxi industry will be prepared from this information which will be collated, analysed and released by the Department's THCB as a public report on a regular basis. Such reporting will provide greater transparency of the industry with a view to continuously improving the level of community satisfaction with the taxi industry. The following Standard will apply.

A network must provide the Department's THCB, as required, with an accurate report on its performance against key performance areas and any other reports relating to the provision of taxi-cab services as required.

A maximum penalty of 200 units (\$22,000) applies for failure to meet this Standard.

INTRODUCTION AND OPERATION OF THE NETWORK STANDARDS

The Department's THCB is committed to working with networks to improve the level of service provided to the public by the taxi industry. Once the Standards have been finalised, they will establish the benchmark service levels and requirements against which the performance of each network is measured.

It is proposed that the Standards will take effect from 1 January 2003.

The Standards will be used by the Department when they are assessing each networks' performance for quarterly reporting.

4 DISCUSSION OF DRAFT OPERATOR STANDARDS

The new Standards when adopted will apply to all currently accredited operators, and all new applicants seeking accreditation to operate a taxi-cab in the Metropolitan transport district. Operators will be responsible for supporting the networks to which they are affiliated in the delivery of a high quality taxi service to the public. The purpose of the Standards is to detail the requirements that must be met in order to achieve this outcome. An operator accreditation will be subject to an operator continuing to meet the Standards.

The Operator Standards have been drafted in line with the provisions contained in section 31E of the Act.

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Attachment 2

Extracts from Canberra Cabs Submission to ICRC 2002

2. Taxi Costing and Pricing Model

The issues paper refers to the ICRC Taxi Costing and Pricing Model January 2001 and concludes that the surplus shown by the model suggests that taxi fares should fall. The Commission is able to draw this conclusion only by ignoring the social impact of its decision (see *Section 20 (g)* of the Act) on drivers. The Commissions position argues for a fare that does not have the capacity to provide a driver with a fair return for his

labour. Canberra Cabs has been asked to submit a version of the new Costing and Pricing Model updated for current revenues and costs. The version presented later in this submission provides a model that does not ignore the social impacts and avoids the perverse outcomes flagged by the Commission in its previous taxi fare report. The model in this submission further develops and refines the ICRC Costing and Pricing Model and provides figures which represent the actual cost of a viable business.

3. Plate Values.

The terms of reference for this review requires the Commission to further develop and refine the costing and pricing model, and 'make provisions, where appropriate, for return on investment ...'.

In its Issues paper the Commission invites comments on whether plate values should be accounted for in the costing and pricing model for setting taxi fares, and if so, the method by which it should be included.

This issue was considered by the Commission in its report Taxi Fares for 1 July 2001-30 June 2003 issued in May 2001. In that report the Commission states

'... The Commission acknowledges that there are difficulties in incorporating plate values in the model for fare setting purposes. It believes that, having raised the prospect as a point of discussion, the disadvantages of its retention outweigh the advantages. As a result the Commission has decided to exclude plate values from the revised model.' (page v of the Executive Summary)

Given that this issue was fully considered by the Commission less than 12 months ago and the above decision made, it is surprising that it should want to reconsider this, particularly given the debate which took place on this subject around this time last year prior to the Commission ruling on the exclusion of plate costs from the cost and pricing model.

One must ask the question as to whether this issue would have been raised this year had it not been for the decision by the IPART in NSW to include plate values in the cost index approach to setting fares in NSW.

In the Commission's final report on Taxi Fares for 1 July 2001 – 30 June 2003 the Commission stated: *"All inputs should be reviewed on a periodic basis, including the assessment of the impact on costs and revenues of any changes in efficiency / productivity, eg;*

- *Any significant change in fuel consumption rates should be incorporated into the fuel cost component.*
- *Any significant change in hirings (or hiring kilometres) per taxi per annum should be incorporated into the revenue component.*
- *Any significant change in typical total taxi kilometres per annum should be incorporated into the variable cost components."*

MODEL FOR A VIABLE TAXI BUSINESS

This section identifies the components associated with a properly run taxi business. It includes a comprehensive range of costs encountered by an average taxi, together with a profile of operating activity undertaken by an average taxi. This information is then placed in the context of current industrial conditions and occupational health and safety requirements applicable to the Australian workforce generally. Because Wheelchair Accessible Taxis (WATs) exhibit different characteristics from standard taxis, separate models are provided for each type. The resultant costs indicate the level of income necessary to support a viable taxi business.

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Attachment 3

SUPPORTING DOCUMENTATION

ICRC Issues Paper –Determination

*Of Prices for Taxi Services-Nov 2001
Submission by Canberra Cabs*

2002 - COSTS - CALCULATIONS - STANDARD VEHICLES

OPERATING EXPENSES

1. VEHICLE CAPITAL COST

1.1 Value of vehicle: GST-inclusive - because no ITC is available.

Used vehicles GST-exclusive based on Glass's Guide January 2002.

Residual figures based on depreciation rate of 33.1% pa as per ICRC 2001 costing.

New vehicles(retained for 5 years)70% of fleet

$\{[(32515+3106)]@7.5\%pa\}-residual\}/5x0.7$

$equals\{(35621@7.5\%pa)-4357\}/5x0.7$

$equals\{(654x60)-4357\}/5x0.7$

$equals\{39240-4357\}/5x0.7$

$equals34883/5x0.7$

$equals\$4884$

2 year old used vehicles(retained for 4 years)25%

$\{[(19500+3106)]@7.5\%pa\}-residual\}/4x0.25$

$equals\{(22606@7.5\%pa)-3906\}/4x0.25$

$equals\{(477x48)-3906\}/4x0.25$

$equals\{22896-3906\}/4x0.25$

$equals18990/4x0.25$

$equals\$1187$

3 year old used vehicles(retained for 4 years)5%

$$\frac{[(15600+3106]@7.5\%pa)-residual}{4 \times 0.05}$$

$$= \frac{(18706@7.5\%pa)-3124}{4 \times 0.05}$$

$$= \frac{(397 \times 48)-3124}{4 \times 0.05}$$

$$= \frac{19056-3124}{4 \times 0.05}$$

$$= \$200$$

Annual total cost = 4884+1187+200 = \$6271

1.2 Gas conversion: GST-exclusive.
 \$2137 for Impco
 \$2309 for Vialle
 Average = \$2223

1.3 In-car electronics: GST-exclusive.
 \$200 for Motorola equipment
 \$100 for EFTPOS equipment
 \$60 for GPS equipment
 Total cost = \$360

1.4 Meter: GST-exclusive.
 \$523

2. VEHICLE REGISTRATION COSTS

2.1 Gas leak certificate: GST-exclusive.
 \$25

2.2 Registration fees: no GST applicable.
 \$235.20 for Registration fee
 \$16.00 for Road rescue fee
 \$2.00 for road safety contribution
 \$33.00 for inspection fee
 Total cost = \$286.20

2.3 Third party personal insurance: GST-inclusive - because no ITC is available.
 \$6042.40

2.4 Taxi operator's licence: no GST applicable.
 \$496.00

3. DRIVER'S LICENCE AND MEDICAL

3.1 Driver's licence: no GST applicable.
 \$111.00 for a 5 year licence.
 Annual cost = \$22.20

3.2 Medical examination: no GST applicable.
 \$40.00

4. COMPREHENSIVE INSURANCE

4.1 Taxi comprehensive insurance: GST-inclusive.

Source: Glass's Guide January 2002.

		<u>New cars</u>	<u>2 yr cars</u>	<u>3 yr cars</u>
New/Mid-point of Trade and Retail prices	YEAR 1	32515	19500	15600
Trade Low price	YEAR 2	18900	12000	11600
" " "	YEAR 3	15100	11600	11000

"	"	"	YEAR 4	12000	11000	9500
"	"	"	YEAR 5	<u>11600</u>	<u>9500</u>	<u>9300</u>
			Functional life			
			cycle total	90115	54100	47700
			20 year cycle			
			total	360460	270500	238500
			Type annual			
			average	18023	13525	11925

Overall annual average = (18023)70%+(13525)25%+(11925)5% = \$16593.

Annual premium cost = \$8640.

5. DEMURRAGE INSURANCE: GST-exclusive.

\$25 per month = \$300.

6. NETWORK FEES: GST-exclusive.

\$13153

7. UNIFORMS: GST-exclusive

7.1 Full uniform (2 year functional life):GST-exclusive prices are:

2 x Chambray long sleeve shirts @ \$27.30 =	54.60
3 x Polo short sleeve shirts @ \$27.30 =	81.90
1 x Bomber jacket @ \$65.00 =	65.00
2 x Trousers @ \$40.90 =	81.80
1 x Pullover @ \$54.55 =	<u>54.55</u>
Total cost =	337.85
Annual cost per year per driver =	169

8. OFFICE EXPENSES AND OTHER

8.1 Office expenses comprising:

Telephone	325
Electricity/heating	325
Bank charges	217
Accountant	325
Home computer/software at	
\$3087 with a 3 year life-span.	<u>1029</u>
Total	2221

Note: Calculated by applying Canberra CPI of 2.9% to previous year.

8.2 NRMA: GST-exclusive.

\$50.00

9. ADMINISTRATION LABOUR (OPERATOR/DRIVER)

9.1 Administration labour (operator/driver)=

Based on 4 shifts /week
4 shifts/week@20mins/shift for 52 weeks=4160mins
plus60mins/week for 52 weeks=3120mins
plus60mins/month for 12 months=720mins
plus60mins/quarter for 12 months=240mins
equals8240mins per year
equals137.33hours @ \$13.16
equals\$1807

10. ADMINISTRATION LABOUR (NON-OPERATOR/DRIVER)

10.1 Administration labour (non-operator/driver)= same value as 9.1 = \$1807

11. ADMINISTRATION LABOUR (BAILEE DRIVERS)

11.1 Administration labour (bailee drivers)= Operator/driver and bailee drivers
Based on 2 bailee drivers @ 4 shifts/week each
4 shifts/week @ 5 mins/shift for 52 weeks=1040mins
plus 30 mins/week for 52 weeks=1560mins
plus 30 mins/month for 12 months=360mins
plus 60 mins/quarter for 12 months=240mins

11.1 Administration labour (bailee drivers)= Continued
equals 3200mins per driver per year
equals 53.33 hours per driver per year @ \$13.16
equals \$702 per driver

Total for 2 drivers = \$1404

Only bailee drivers
Based on 3 bailee drivers @ \$1404 for 2 drivers
equals \$1404/2x3 = \$2106.

12. FUEL: GST-exclusive.

recommended retail price exclusive of trade, seasonal or other discounts. The fuel consumption rate is 5.5klm per litre and the annual distance travelled is 173,463kms at a cost of 35.0 cents per litre.

Annual cost = $0.35 \times 173463/5.5 = \11038 .

13. TYRES: GST-exclusive.

\$106 for Dunlop Monza 205/65/15 (functional life of 45000kms)
\$99 for Dunlop
Monza D8
205/65/15
(functional life of
45000 kms)

Average= \$102.50

Annual cost = $\$102.50 \times 4 \times 173463/45000 = \1580 .

14. CAR WASHING: GST-exclusive.

\$12.85 for Mobil Braddon major wash - 1 per week
\$3.00 for Caltex Braddon minor wash - 3 per week
Total cost = $(12.85+9.00) \times 52 = \1136 .

15. REPAIRS AND MAINTENANCE

15.1 Supply repairs and maintenance: GST-exclusive.

\$11689

15.2 Gas converter overhaul kit: GST-exclusive.

\$237 for Impco
\$353 for Vialle
Average = \$295

15.3 Repair of Schmidt meter: GST-exclusive.

\$155 for repair of meter.
\$105 for fare rate adjustment.
Total = \$260

15.4 Miscellaneous auto electrical: GST-exclusive

2% of Item 15.1 = \$234.

15.5 Miscellaneous mechanical repairs: GST-exclusive

10% of Item 15.1 = \$1169.

16. DRIVER EARNINGS (OPERATOR/DRIVER)

16.1 In an operator/driver business the driver earnings figure is based on an operator/driver driving 40 hours per week for 46 weeks per year; and taking 4 weeks holiday per year, with an additional 2 weeks aggregated absences due to illness etc. These absences are covered by a substitute bailee driver. The cost of the hours actually driven by the operator/driver at the rate of \$526.23 per 40 hour week = \$24207. The hourly rate is \$13.16.

17. DRIVER ENTITLEMENTS (OPERATOR/DRIVER).

17.1. Holiday pay entitlements.

17.1.1. In an operator/driver business the holiday pay entitlements of an operator/driver are 4 weeks of 40 hours. The cost of these holiday pay entitlements = \$2106. The holiday leave loading of 17.5% of the holiday pay entitlement = \$368. The total cost of holiday pay entitlements for an operator/driver = \$2474.

17.2. Sick pay entitlements.

17.2.1. In an operator/driver business the sick pay entitlements of an operator/driver are 2 weeks of 40 hours. The cost of these sick pay entitlements = \$1053.

18.3. Superannuation.

18.3.1. In an operator/driver business the superannuation entitlements of an operator/driver are 9% of annual earnings, including administration labour, sick pay and holiday pay (but excluding leave loading). The cost of this = 9% of (24207+1807+1053+2106) = \$2626.

19. DRIVER EARNINGS (BAILEE DRIVERS).

19.1 In an operator/driver business the driver earnings figure is based on an operator/driver driving 40 hours per week for 46 weeks per year; and taking 4 weeks holiday per year, with an additional 2 weeks aggregated absences due to illness etc. These absences are covered by a substitute bailee driver. There are also 2 principal bailee drivers each driving 39 hours per week for 46 weeks per year, who also take 4 weeks holiday per year each and an additional 2 weeks aggregated absences each due to illnesses etc. Their absences are also covered by a substitute bailee driver. The number of hours actually worked by bailee drivers in a year is 92 weeks at 39 hours per week for the 2 principal bailee drivers plus 6 weeks at 40 hours and 12 weeks at 39 hours for the substitute bailee driver. This gives 4296 hours actually worked by bailee drivers in a year at the rate of \$526.23 per 40 hours. The cost of this labour = $4296/40 \times \$526.23 = \56517 . The hourly rate is \$13.16.

19.2 In a non-operator/driver business the driver earnings figure is based on 3 principal bailee drivers each driving 39.33 hours per week for 46 weeks per year; and taking 4 weeks holiday per year, with an additional 2 weeks aggregated absences each due to illness etc. These absences are covered by a substitute bailee driver. The total number of hours actually worked by bailee drivers in a year is 138 weeks at 39.33 hours per week for the 3 principal bailee drivers plus 18 weeks at 39.33 hours per week for the substitute bailee driver. This gives 6135.48 hours actually worked by bailee drivers in a year at the rate of \$526.23 per 40 hours. The cost of this labour = $6135.48/40 \times \$526.23 = \80717 . The hourly rate is \$13.16.

20. DRIVER ENTITLEMENTS (BAILEE DRIVERS).

20.1. Holiday pay entitlements.

20.1.1. In an operator/driver business the holiday pay entitlements of bailee drivers are 4 weeks of 39 hours for each of the 2 principal bailee drivers and a pro-rata amount of 1/2 week of 40 hours plus 1 week of 39 hours for the substitute bailee driver (assessed at the rate of 1 week for each 12 weeks worked). The cost of these holiday pay entitlements = $[(8 \times 39) + (1/2 \times 40) + (39)] \times 13.16 = \4882 . The holiday leave loading of 17.5% of the holiday pay entitlement = \$854. The total cost of holiday pay entitlements is \$5736.

20.1.2. In a non-operator/driver business the holiday pay entitlements of bailee drivers are 4 weeks of 39.33 hours for each of the 3 principal bailee drivers and a pro-rata amount of 1.5 weeks of 39.33 hours for the substitute bailee driver (assessed at the rate of 1 week for each 12 weeks worked). The cost of these holiday pay entitlements = $[(12 \times 39.33) + (1.5 \times 39.33)] \times 13.16 = \6987 . The holiday leave loading of 17.5% of the holiday pay entitlement = \$1223. The total cost of holiday pay entitlements for bailee drivers in a non-operator/driver business is \$8210.

20.2. Sick pay entitlements.

20.2.1. In an operator/driver business the sick pay entitlements of bailee drivers are 2 weeks of 39 hours for each of the 2 principal bailee drivers and a pro-rata amount of 1/4 week of 40 hours plus 1/2 week of 39 hours for the substitute bailee driver (assessed at the rate of 1/2 week for each 12 weeks worked). The cost of these sick pay entitlements = $[(4 \times 39) + (1/4 \times 40) + (1/2 \times 39)] \times 13.16 = \2441 .

20.2.2. In a non-operator/driver business the sick pay entitlements of bailee drivers are 2 weeks of 39.33 hours for each of the 3 principal bailee drivers and a pro-rata amount of 3/4 week of 39.33 hours for the substitute bailee driver (assessed at the rate of 1/2 week for each 12 weeks worked). The cost of these sick pay entitlements = $[(6 \times 39.33) + (3/4 \times 39.33)] \times 13.16 = \3494 .

20.3. Superannuation.

20.3.1. In an operator/driver business the superannuation entitlements of bailee drivers are 9% of annual earnings, including administration labour, sick pay and holiday pay (but excluding leave loading). The cost of this = 9% of $(56517 + 1404 + 2441 + 4882) = \5872 .

20.3.2. In a non-operator/driver business the superannuation entitlements of bailee drivers are 9% of annual earnings, including administration labour, sick pay and holiday pay (but excluding leave loading). The cost of this = 9% of $(80717 + 2106 + 3494 + 6987) = \8397 .

21. WORKERS' COMPENSATION INSURANCE: GST-exclusive price.

21.1 Operator/driver business for bailee drivers' retained earnings of \$56517.

Calculations are:

$$(56517) \times (4\%) + (75) = 2261 + 75 = \$2336.$$

21.2 Non-operator/driver business for bailee drivers' retained earnings of \$80717.

Calculations are:

$$(80717) \times (4\%) + (75) = 3229 + 75 = \$3304$$

22. INCOME PROTECTION INSURANCE: GST-exclusive.

22.1 Income protection insurance to cover operator/driver earnings of 75% of \$24207:

Maximum policy benefit is \$1513/month or \$18156/year.

Calculations are:

\$695 for age 30

\$918 for age 40

\$1618 for age 50

Average of premiums = \$1077

REVENUE

1. FARES INCOME: GST-exclusive.

Based on monthly Meter Ons per car at the average fare for Rates 1 and 2 at a ratio of 58:42. The average trip consists of a Flagfall plus 0.6 of a Radio Fee plus 1.9 minutes of Waiting Time plus 7.9 klms of paid travel, producing the following average fares:

RATE 1 = FY00/01 12.61, FY01/02 13.29. RATE 2 = FY00/01 13.89, FY01/02 14.67.

Year	Month	Meter Ons	Cars	Meter Ons per Car	Average Fare	Fares Income per Car
2001	JAN	159182	217	734	13.149	9646
2001	FEB	192751	217	888	13.149	11680
2001	MAR	224627	217	1035	13.149	13611
2001	APR	198197	217	913	13.149	12010
2001	MAY	218072	217	1005	13.149	13214
2001	JUN	208036	217	959	13.149	12606
2001	JUL	190774	217	879	13.870	12194
2001	AUG	198122	217	913	13.870	12663
2001	SEP	182502	217	841	13.870	11665
2001	OCT	174142	217	802	13.870	11131
2001	NOV	176474	217	813	13.870	11280
2001	DEC	<u>172380</u>	217	<u>794</u>	13.870	<u>11018</u>
Totals		2295259		10577		142716

TOTAL FARES INCOME FOR YEAR 2001 142716

Survey-induced adjustment of Total Fares Income

1. Average value of fares recorded in survey in Oct-Nov was \$15.17 (\$13.79 GST-excl).

2. Value of average trip recorded in survey in Oct-Nov was \$15.257 (\$13.870 GST-excl).

3. Discrepancy = 1.-2./1. = -0.58%.

4. Assume 3. = the value of the 25% discount on multiple hiring rates.

5. Apply 3 times the positive value of 3. to Total Fares Income = 142716x1.0174=145199.

ADJUSTED TOTAL FARES INCOME FOR YEAR 2001 = \$145199.

2. OTHER (NON-FARES) INCOME: GST-exclusive.

Rebates LPG =\$340.

FARES

The value of fares necessary to sustain a viable standard taxi business will vary depending on whether the business is run as an operator/driver business or as a non-operator/driver business.

Operator/driver business

The average fare necessary to achieve an income sufficient to sustain a viable standard taxi operator/driver business with annual operating costs of \$173109 is:

$$(\text{Total operating costs}/1.0174)/\text{Total hirings} = (\$173109/1.0174)/10577 = \$16.087.$$

Noting that the ratio of the Rate 1 to the Rate 2 fare is 58:42, the average Rate 1 fare component of the average fare of \$16.087 is:

$$\frac{\text{Average Fare}}{0.58+(0.42 \times 14.67/13.29)} = \frac{16.087}{1.044} = 15.409$$

The average Rate 2 fare component of the average fare of \$16.087 is:

$$\text{Rate 1 average fare} \times 14.67/13.29 = 17.009$$

Non-operator/driver business

The average fare necessary to achieve an income sufficient to sustain a viable standard taxi non-operator/driver business with annual operating costs of \$173614 is:

$$(\text{Total operating costs}/1.0174)/\text{Total hirings} = (173614/1.0174)/10577 = 16.134$$

Noting that the ratio of the Rate 1 to the Rate 2 fare is 58:42, the average Rate 1 fare component of the average fare of \$16.134 is:

$$\frac{\text{Average Fare}}{0.58+(0.42 \times 14.67/13.29)} = \frac{16.134}{1.044} = 15.454$$

The average Rate 2 fare component of the average fare of \$16.134 is:

$$\text{Rate 1 average fare} \times 14.67/13.29 = 17.059$$

PRICE SOURCES

	ITEMS
1. Ford Australia	1
2. Motor Registry - Ph: 62077066.	2,3
3. Canberra Cabs - Ph: 62312222.	5,6
4. Hamilton Brokers - Ph: 62852898. Fax: 62853570.	21
5. AXA Australia - Ph: 62324488. Fax: 62824022.	22
6. Gregory's Ford - Braddon -Ph: 62671600.	15
7. Vitalgas - Ph: 02 92505400.	12
8. Beaupaires Tyres - Braddon - Ph: 62485911. Fax: 62474036.	13
9. Gastune - Greenway - Ph: 62939033. Fax: 62939030.	1,2,15
10. Premier Instruments - Dickson - Ph and Fax: 62491409.	1,15
11. Australian Bureau of Statistics - Ph: 1300 135 070.	8,16
12. Mobil Car Wash - Braddon - Ph: 62470668.	14
13. Caltex Service Centre - Braddon - Ph: 62472544.	14
14. Lumley's Insurance - Ph: 62498199. Fax: 62790330.	4
15. NRMA - Ph: 132132.	8
16. Health Services Australia - Ph: 62692001.	3
17. Canberra Cabs Social Club - Ph: 0419427172.	7

2002 REPAIRS & MAINTENANCE STANDARD VEHICLE

SERVICE OPERATION	TOTAL COST (KMS/YRS)	LIFE	ANNUAL COST
1. Oil change and grease, including supply and fit oil filter and supply premium grade oil.	103.02	15,000	1191.34
2. Supply and fit air cleaner.	18.21	15,000	210.58
3. Supply and fit front brake pads.	158.92	60,000	459.45
4. Supply and fit rear brake pads.	150.17	60,000	434.15
5. Supply and fit brake master cylinder.	225.17	360,000	108.50
6. Supply and fit brake booster.	178.50	360,000	86.01
7. Remove and replace brake fluid from braking system.	49.09	2 years	24.55
8. Supply and fit front brake rotors.	226.42	80,000	490.94
9. Supply and fit front wheel bearings.	308.93	200,000	267.94
10. Supply and fit rear brake rotors.	311.05	120,000	449.63
11. Supply and fit rear wheel bearings.	216.93	210,000	179.19
12. Provide transmission service.	152.17	45,000	586.57
13. Provide wheel alignment.	33.00	30,000	190.81
14. Provide engine tune-up, including remove and replace spark plugs and leads.	276.85	100,000	480.23
15. Provide air conditioning service.	360.00	1 year	360.00
16. Remove and replace ancillary drive belt.	66.87	90,000	128.88
17. Remove and replace thermostat, radiator hoses, heater hoses and engine coolant.	296.36	1 year	296.36
18. Remove and replace differential oil.	48.55	100,000	84.22
19. Remove and replace universal joints.	238.78	200,000	207.10
20. Remove and replace upper Watts Link bushes.	209.55	200,000	181.75
21. Supply and fit heavy duty alternator.	347.11	180,000	334.50
22. Supply and fit water pump (including coolant).	264.89	180,000	255.27
23. Supply and fit starter motor.	216.70	360,000	104.42
24. Supply and fit 13 plate low maintenance battery.	103.28	180,000	99.53
25. Supply and fit power steering pressure hose.	128.39	180,000	123.73
26. Supply and fit upper ball joints.	110.53	180,000	106.52
27. Supply and fit lower ball joints.	132.47	360,000	63.83
28. Supply and fit tie rod ends.	107.38	100,000	186.26
29. Supply and fit rear muffler and tail pipe.	352.20	180,000	339.41
30. Supply and fit catalytic converter.	563.03	200,000	488.32
31. Supply and fit heavy duty radiator.	449.12	3 years	149.71
32. Supply and fit exchange reconditioned long motor with oil.	3154.55	450,000	1215.99
33. Supply and fit exchange reconditioned transmission.	1560.00	300,000	902.01
34. Supply and fit exchange differential.	1560.00	300,000	902.01
			11689.70

Attachment 4

MELBOURNE TAXI DRIVER CUTS ANNUAL TYRE BILL TO \$300

The lowest annual tyre bill of any fully operational cab in Australia is being claimed by a Melbourne taxi driver. George Roumpos says it cost him \$250 to buy, fit and align four Motorway Monofonn Taxi tyres that lasted 10 months and travelled 102,000 kilometres on his Melbourne-based cab, almost matching the previous set that travelled 108,000 kilometres in a similar time. "That's equivalent to around \$300, a year and is an enormous saving, especially considering the enormous costs of running a cab these days," he said. "And its no fluke, as my previous set of Motorway Mono form Taxi tyres travelled 108,000 kilometres in the same period of time."

Remanufactured 'value' George says his latest cost-savings have further validated his claim - and that of many other cab drivers - that remanufactured tyres provide the best value, especially for the taxi industry. "In remanufacturing they put a heavier duty rubber on the face of the tyre - the critical part that touches the road," he said. "What I save by using Motorway Monofonn Taxi tyres goes straight into my pocket as extra profit without any compromise on safety." "My life depends on good tyres, and my livelihood depends on good tyre value." George, a 36 year old motor mechanic turned taxi-driver, made the change to Mono form Tyres in 1999.

That's when I bought my own taxi plates after previously driving for my father's cab business," George said. "My emphasis was on not cutting any comers in establishing my own business. On top of the \$300,000 for the plates, my new Commodore VT Series Two cost \$37,000 on the road, complete with taxi-pack," he said.

Experienced advice

"When the Commodore's tyres had to be replaced, I took the advice of some experienced drivers and bought Motorway Monofonn Taxi tyres. "That was the start of the valuable cost savings that have now led to my claim of the cheapest yearly tyre bill."

TAXI, Vol. 46, No. 1.
January/February 2002

Attachment 5

Uniforms By-Law (Uniform - obligation to provide)

3.0 An Operator who is a member of the Deluxe Red & Yellow Cabs Co-Operative Trading Society Ltd or who has been licensed by Taxis Combined Service Pty Ltd to utilise the Two Way radio network shall: Provide without charge to any Driver to whom he bails a Taxi Cab an Approved Network Uniform.

3.1 An Approved Network Uniform comprises the following items of clothing in the colour and design and bearing the insignia which has been approved by the Department of Transport.

(a) In the case of a Permanent Driver:

1 Pull over 1 Jacket 4 Shirts 2 Pairs of Trousers or
Shorts 1 Pair of Epaulets 2 Pairs of Socks

b] In the case of a Casual Driver

1 Jumper 2 Shirts 1 Pair of Trousers 1 Pair of Epaulets 1
Pair of Socks

3.2 For the purpose of this By-Law an Approved Network Uniform which may be provided in accordance with these By-Laws may be new or secondhand but if provided secondhand shall, at the time it is first provided be freshly laundered and pressed.

Penalty 3.3 For Failure to supply an Approved Network Uniform:-

(a) In respect of any first Offence. Withdrawal of Radio Service from at least one of the Operator's operating Taxicabs until a Uniform has been supplied in accordance with this By-Law.

(b) Provided that if an offence under this By-Law is shown to have occurred and the Taxi Operator subsequently supplies an Approved Network Uniform the Two Way Radio Service will be resumed upon payment to the Network of the sum of \$20.00. Application for resumption of the Two Way Radio service shall be on the form provided.

3.4 In respect of each second or subsequent offence withdrawal of the Radio Service from at least one of the Operator's Vehicles until a uniform has been supplied in accordance with this By-Law.

(a) Provided that if an offence under this By-Law is shown to have occurred and the Taxi Operator subsequently supplies an Approved Network Uniform the Two Way Radio Service will be resumed upon payment to the Network of the sum of \$50.00. Application for resumption of Two Way Radio Service shall be on the form supplied.

Standard of Proof and Defence

3.5 Upon a complaint brought by a driver: It shall be a good and complete defence to a complaint brought under this By-Law if the records of the Network or any other Operator show that the Driver had been supplied with a Uniform by another Operator within the previous twelve calendar months.

3.6 The records of the Network shall be accepted as conclusive proof for the purposes of this By-Law.

3.7 If despite suspension of the Two Way Radio Service, compliance has not been demonstrated at the end of seven days the member shall be reported to the Department of Transport as having failed to comply with Network Standards

No. ITEMS	sizes IN STOCK	PRICE
Short Sleeve Shirt Blue Oxford Fabric	Small - 5 X Large Small - 5 X Large 72-132cm 72-132cm	\$18.00
Long Sleeve Shirt Blue Oxford Fabric	Small - 8 X Large Small-SX	\$19.00
Trousers Navy Shorts Navy Bomber Jacket	Large Small - 5 X Large Small - 5 X Large	\$28.00 \$25.00
Bomber Jacket with Epaulette	Standard or Executive	\$38.00
Holders Jumper Navy with Epaulette		\$44.00
Holders Vest Navy with Epaulette	Adjustable 97 and 132 adjustable	\$45.00
Holders	8-26 8-26 8-26	\$39.00
Tie clip-on Dark Blue		\$15.00
Epaulette Slides-Pair:		\$7.00
Standard Socks Black King-size Socks		\$6.00
Black Baseball Style Cap with TCS		\$10.00
Logo Belt Black -TCS Logo on Buckle		\$7.00 \$7.00
Ladies Blouse		\$39.00
Ladies Pants		\$37.00
Ladies Skirts- Pleated or Straight		\$17.00 \$30.00

**Items kept in stock TAXIS COMBINED
UNIFORMS**

Attachment 6

Taxi Service & Maintenance Attachment to T1A			Response t<	3 1PART 1	999
			Service	Parts	Other
Taxi Item		Total			
Gearbox service/replacement	1 \$1,200	\$1,200	700	500	
Routine vehicle service	26 \$45	\$1,170	1170		
Batteries	3 \$95	\$285		285	
Brakes • front	12 \$70	\$840		840	
Brakes - rear	6 \$70	\$420		420	
Brake discs	2 \$275	\$550		550	
Wheel bearings	2 \$72	\$144		144	
Radiator	1 \$280	\$280		280	
Differential	0.5 \$800	\$400		400	
Wiper blades	4 \$16	\$64		64	
Air conditioning and service	1 \$1,500	\$1,500	1000	500	
Motor tune up	6 \$200	\$1,200	1200		
Alternator	2 \$150	\$300		300	
Headlight globes	12 \$19	\$228		228	
Stop light globes	30 \$5	\$150		150	
Other globes (vacant/indicator)	36 \$8	\$288		288	
Starter motor	1 \$120	\$120		120	
Muffler/exhaust	1 \$250	\$250		250	
Shock absorbers - rear	1 \$180	\$180		180	
Shock absorbers - front	1 \$300	\$300		300	
Seat covers	1 \$180	\$180		180	
Miscellaneous bushes	1 \$350	\$350		350	
Motor replacement	0.33 \$1,200	\$400		400	
cylinder head (LPG)	0.5 \$1,000	\$500		500	
Detailing (for inspection)	3 \$120	\$360			36
ATIS inspections	3 \$45	\$135			13
Security screen replacement	0.33 \$1,500	\$500			50
Tyres - front	10 \$70	\$700			70
Tyres - rear	6 \$70	\$420			42
Wheel alignment	6 \$25	\$150	150		
Body repairs accident excess	1 \$2,500	\$2,500			250
Meter conversion	1 \$100	\$100	100		
Total		\$16,164	4320	7229	461

Note: Assumes taxi operated for 175,000 kilometres per year by an owner-driver and one baile 16164 Average of actual expenditures over varying fleet.operations.

Source: NSW Taxi Council.

Add on from PCW 2001

Brake Booster	Master Cylinder	Water Pump	Fan Belt	
\$172	\$ 189	\$91	\$48	\$7709

Attachment 7

Attachment 8

	Method I Cashbook				Actual Driver Record			
	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	
19-Mar	299	249		302	339	479	283	
11-Mar	308		327	309	378	456	308	
04-Mar	270		301	348	339	394	267	
25-Feb	268	299		337	312	352	318	
18-Feb	269	289		376	428	405	314	
11-Feb	286		349	335	383	355	275	
04-Feb	261	301		322	346	405	317	
28-Jan	291	288	322	358	374	357	325	
21-Jan	253	306		301	367	309	317	
14-Jan	253	277		357	369	415	275	
07-Jan	224	263	270		343	331	261	
31-Dec	348	333		269	336	314	305	
24-Dec	357	283		270	265	260	262	
17-Dec	347	387		323	409	311	307	
10-Dec	338	332			440	347	341	
03-Dec	264	295			459	390	270	
26-Nov	242	306		373	448	372	322	
19-Nov	314	289		310	431	424	328	
12-Nov	197	306		310	411	389	352	
05-Nov	234	370		322	395	311	298	
29-Oct	271	272		317	410	300	305	
22-Oct	220	250		278	380	299	298	
15-Oct	176	275		372	391	354	293	
08-Oct	264		287	298	354	307	206	
01-Oct	295	286		298	360	351	214	
24-Sep	245	254		397	373	362	288	
17-Sep	259	261	317		381	365	220	
Average	\$ 272.00	\$ 272.00	\$ 317.00	\$ 317.00	\$ 379.00	\$ 360.00	\$ 291.00	\$ 2,208.00
M I take home	\$ 136.00	\$ 136.00	\$ 158.00	\$ 158.00	\$ 189.00	\$ 180.00	\$ 146.00	\$ 1,103.00
Comparable							50% of Fares	
fixed pay in	\$ 124.00	\$ 126.00	\$ 136.00	\$ 153.00	\$ 174.00	\$ 174.00	\$ 174.00	\$ 1,061.00
plus lpg / was	\$ 37.00	\$ 40.00	\$ 43.00	\$ 45.00	\$ 50.00	\$ 55.00	\$ 40.00	\$ 310.00
Retention if on Method II	\$ 111.00	\$ 106.00	\$ 130.00	\$ 113.00	\$ 141.00	\$ 120.00	\$ 108.00	\$ 829.00

The conclusion is that this driver earns \$274 a week more on Method I than he would earn on Method II. Conversely the Operator , paying for Fuel and Wash , receives a nett \$793 instead of the \$1061 from equivalent Method II fixed Pay In

This is why Operators refuse bailment on Method I

His average weekly fare revenue of \$2208 compares with the estimated average on ATT 1 of \$2385..... And the return to him is better.

Attachment 9

Attachment 4

Taxi Cab Revenue and Expenses

Driver	Taxi Council PART 2002		Single Cab 5+6 x 47 weeks		Base Cab 6+7 x 52 weeks	
	\$	\$	\$	\$	\$	\$
Fares	\$ -	\$ -		\$ 152,437		\$ 194,827
Bailment	\$ -	\$ -	\$ 70,923		\$ 91,884	
Fuel	\$ 18,404	\$ 15,774	\$ 14,335		\$ 18,460	
Wash	\$ 3,220	\$ 2,860	\$ 2,820		\$ 3,640	
GST	\$ -	\$ -	\$ 4,982		\$ 6,188	
Expenses	\$ -	\$ -	\$ 7,661		\$ 10,140	
Retention	\$ -	\$ -	\$ 51,716		\$ 64,515	
Bailee Driver Payment [driver retention + expenses]	\$ -	\$ 62,135	\$ -	\$ 59,377	\$ -	\$ 74,655
Total	\$ 21,624	\$ 80,769	\$ 152,437	\$ 152,437	\$ 194,827	\$ 194,827
Operator						
Bailment			\$ 70,923		\$ 91,884	
Advertising			\$ 1,000		\$ 1,300	
Vehicle Lease Paymer	\$ 8,090	\$ 8,281	\$ 7,000		\$ 6,000	
Insurance	\$ 11,705	\$ 12,737	\$ 12,737		\$ 11,500	
Govt Charges	\$ 839	\$ 739	\$ 739		\$ 739	
Network Fees	\$ 6,554	\$ 6,436	\$ 6,436		\$ 6,436	
Plate Lease Fees	\$ -	\$ 19,500	\$ -		\$ 20,000	
Ann Establishment Co:	\$ 1,295	\$ 1,399	\$ 1,200		\$ 1,200	
Stand By Cab	\$ -		\$ -		\$ 1,500	
Garaging	\$ -		\$ 500		\$ 500	
Maintenance Labour	\$ 6,958	\$ 6,854	\$ 5,000		\$ 4,500	
Vehicle Parts & Panels	\$ 10,403	\$ 10,944	\$ 8,000		\$ 7,500	
Cleaning ATIS	\$ -	\$ 360	\$ 360		\$ 200	
Tyres	\$ 2,543	\$ 2,800	\$ 1,635		\$ 1,820	
Operator Super	\$ 969	\$ 1,002	\$ 140		\$ 210	
Operator Salary	\$ 12,108	\$ 12,525	\$ 1,560		\$ 2,340	
Driver Entitlements	\$ 3,705	\$ 3,731	\$ 3,731		\$ 3,731	
Uniforms	\$ 2,400	\$ 2,400	\$ 450		\$ 510	
Other	\$ 3,361	\$ 3,484	\$ 1,000		\$ 500	
Accident Excess	\$ -		\$ 500		\$ 750	
	\$ 70,930	\$ 93,192	\$ 50,988	\$ 71,923	\$ 69,936	\$ 93,184
	\$ 92,554	\$ 173,961				
Profit Margin			\$ 20,935		\$ 23,248	
Margin Net of Advertising			\$ 19,935		\$ 21,948	

ATTACHMENT 10

Attachment 1

Taxi Data Critical Detail 2003

	Day Shift	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	5+6	Total	6+7	47 Weeks	52 Weeks
Fares \$	\$ 245.00	\$ 258.00	\$ 258.00	\$ 298.00	\$ 322.00	\$ 445.00	\$ 448.00	\$ 258.00	\$ 3,243.00	\$ 3,746.00	\$ 152,421.00	\$ 194,792.00	
Kilometers	230	270	280	280	325	365	365	275	3035	3540	142645	184080	
No of Trips	14	16	17	18	21	29	29	16	200	230	9400	11960	
No of Radio Jobs	5	5	5	6	7	6	6	4	60	69	2820	3688	
LPG Usage Litres	46	54	56	56	66	74	74	54	610	710	28570	36920	
LPG Usage \$	\$ 23.00	\$ 27.00	\$ 28.00	\$ 28.00	\$ 33.00	\$ 37.00	\$ 37.00	\$ 27.00	\$ 305.00	\$ 355.00	\$ 14,335.00	\$ 18,460.00	
Wash \$	\$ -	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 60.00	\$ 70.00	\$ 2,820.00	\$ 3,640.00	
Tolls \$	\$ 12.00	\$ 12.00	\$ 12.00	\$ 15.00	\$ 15.00	\$ 24.00	\$ 24.00	\$ 12.00	\$ 162.00	\$ 186.00	\$ 7,614.00	\$ 9,672.00	
Hours on Road	10	11	11	11	11.5	12	12	11	118.5	139.5	5569.5	7254	
Estimate of Shift Vacant Time %	55	55	55	50	45	30	30	55	540	660	25380	33800	
Estimate of Paid Kilometers	\$ 104.00	\$ 122.00	\$ 126.00	\$ 140.00	\$ 179.00	\$ 256.00	\$ 256.00	\$ 124.00	\$ 1,599.00	\$ 1,827.00	\$ 75,153.00	\$ 95,004.00	
Estimate of Paid Waiting Time													
Estimate of Fares on Tariff II %	1	1	1	1.5	2	9	9	1.5	28.5	31	1339.5	1612	
Pay In \$	\$ 118.00	\$ 128.00	\$ 131.00	\$ 141.00	\$ 159.00	\$ 180.00	\$ 180.00	\$ 140.00	\$ 1,509.00	\$ 1,767.00	\$ 70,923.00	\$ 91,884.00	
Driver GST \$	\$ 8.00	\$ 6.00	\$ 6.00	\$ 9.00	\$ 9.00	\$ 18.00	\$ 18.00	\$ 5.00	\$ 106.00	\$ 119.00	\$ 4,982.00	\$ 6,188.00	
Other Expenses \$	\$ 12.00	\$ 13.00	\$ 15.00	\$ 15.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 163.00	\$ 195.00	\$ 7,661.00	\$ 10,140.00	
Driver Net Income \$	\$ 84.00	\$ 63.00	\$ 68.00	\$ 95.00	\$ 91.00	\$ 180.00	\$ 183.00	\$ 56.00	\$ 1,100.00	\$ 1,240.00	\$ 51,700.00	\$ 64,480.00	

This data is obtained from Taxi Driver Records. The Taxi Survey 2003 will modify these results and provide a working model for future analysis.

Attachment 11

Attachment 2

Taxi Driver Revenue / Costs Averages Sydney Driver

December Quarter 2002

	Day Shift Days	Night Shift Monday	Tues	Wed	Thurs	Friday	Sat	Sunday	5 days	6 nights	5 + 6	47 Weeks	6 +7	52 Weeks	
FARES															
NEW	\$210	\$210	\$220	\$250	\$280	\$365	\$375	\$220	\$1,050	\$1,700	\$2,750	\$129,250	\$3,180	\$165,360	
AVERAGE	\$250	\$250	\$260	\$300	\$320	\$450	\$450	\$260	\$1,250	\$2,030	\$3,280	\$154,160	\$3,790	\$197,080	
EXPERIENCED	\$275	\$280	\$295	\$345	\$365	\$520	\$520	\$295	\$1,375	\$2,325	\$3,700	\$173,900	\$4,270	\$222,040	
AVERAGE TOTALS	\$245	\$247	\$258	\$298	\$322	\$445	\$448	\$258	\$1,225	\$2,018	\$3,243	\$152,437	\$3,747	\$194,827	
COSTS															
PAY-IN	\$118	\$128	\$131	\$141	\$159	\$180	\$180	\$140	\$590	\$919	\$1,509	\$70,923	\$1,767	\$91,884	
WASH	\$0	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$0	\$60	\$60	\$2,820	\$70	\$3,640	
LPG	\$23	\$27	\$28	\$28	\$33	\$37	\$37	\$27	\$115	\$190	\$305	\$14,335	\$355	\$18,460	
Method I Pay In 50%	\$123	\$123	\$129	\$149	\$161	\$223	\$224	\$129	\$613	\$1,009	\$1,622	\$76,218	\$1,873	\$97,413	
Method II Pay in + F/W	\$141	\$165	\$169	\$179	\$202	\$227	\$227	\$177	\$705	\$1,169	\$1,874	\$88,078	\$2,192	\$113,984	
GST ON NETT RETENT	\$8	\$6	\$6	\$9	\$9	\$18	\$18	\$5	\$40	\$66	\$106	\$4,982	\$119	\$6,188	
OTHER EXPENSES	\$12	\$13	\$15	\$15	\$20	\$20	\$20	\$20	\$60	\$103	\$163	\$7,661	\$195	\$10,140	
TOTAL COSTS	\$161	\$184	\$190	\$203	\$231	\$265	\$265	\$202	\$805	\$1,338	\$2,143	\$100,721	\$2,506	\$130,312	
Average	\$84	\$63	\$68	\$95	\$91	\$180	\$183	\$56	\$420	\$680	\$1,100	\$51,716	\$1,241	\$64,515	
RETAINED EARNINGS															
EFFECTIVE HOURLY	\$8.40	\$5.70	\$6.21	\$8.67	\$7.88	\$15.00	\$15.28	\$5.12	\$8.40	\$9.93	\$9.29	\$9.29	\$8.89		
Kilometres per Shift	230	270	280	280	325	365	365	275	1150	1885	3035	142645	3,540	184,080	
Max Kms / Shift	260	300	320	320	350	400	400	300	1300	2090	3390	159330	3950	205400	
Trips per shift	14	16	17	18	21	29	29	16	70	130	200	9400	230	11,960	
									18.18 trips per :						
% Hired Time	45	45	45	50	55	70	70	45	518	1077	1595	74953	1822	94744	
Paid Kms	104	122	126	140	179	256	256	124	50	68.5	118.5	5569.5	140	7,254	
Hours	10	11	11	11	11.5	12	12	11							
\$ on TI / TII	90/10	90/10	90/10	85/15	80/20	65/35	60/40	90/10	7.9	7 kms/ trip	7.92	16.29			
effect on fares of TII	1%	1%	1%	1.50%	2%	9%	9%	1.50%	2.30%	AVERAGE TRIP	\$ per trip				
												0.9 km on w/t			
												\$16.22	AVERAGE FARE	83	

Fares include Chargeable Fares and late Night Tariff and Tips
Tolls not included

Attachment 13

Attachment 5

Taxi Driver Revenue / Costs Averages Sydney Driver 2003

All Drivers Averages

	Day Shift		Night Shift							Averages				
	Days	Monday	Tues	Wed	Thurs	Friday	Sat	Sunday	5 days	6 nights	5 + 6	47 Weeks	6 + 7	52 Weeks
FARES														
NEW	\$210	\$210	\$220	\$250	\$280	\$365	\$375	\$220	\$1,050	\$1,700	\$2,750	\$129,250	\$3,180	\$165,360
AVERAGE	\$250	\$250	\$260	\$300	\$320	\$450	\$450	\$260	\$1,250	\$2,030	\$3,280	\$154,160	\$3,790	\$197,080
EXPERIENCED	\$275	\$280	\$295	\$345	\$365	\$520	\$520	\$295	\$1,375	\$2,325	\$3,700	\$173,900	\$4,270	\$222,040
AVERAGE TOTALS	\$245	\$247	\$258	\$298	\$322	\$445	\$448	\$258	\$1,225	\$2,018	\$3,243	\$152,437	\$3,747	\$194,827
PAY-IN	\$118	\$128	\$131	\$141	\$159	\$180	\$180	\$140	\$590	\$919	\$1,509	\$70,923	\$1,767	\$91,884
WASH	\$0	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$0	\$60	\$60	\$2,820	\$70	\$3,640
LPG	\$23	\$27	\$28	\$28	\$33	\$37	\$37	\$27	\$115	\$190	\$305	\$14,335	\$355	\$18,460
Method I Pay In 50%	\$123	\$123	\$129	\$149	\$161	\$223	\$224	\$129	\$613	\$1,009	\$1,622	\$76,218	\$1,873	\$97,413
Method II Pay in + F/W	\$141	\$165	\$169	\$179	\$202	\$227	\$227	\$177	\$705	\$1,169	\$1,874	\$88,078	\$2,192	\$113,984
GST ON NETT RETENT	\$8	\$6	\$6	\$9	\$9	\$18	\$18	\$5	\$40	\$66	\$106	\$4,982	\$119	\$6,188
OTHER EXPENSES	\$12	\$13	\$15	\$15	\$20	\$20	\$20	\$20	\$60	\$103	\$163	\$7,661	\$195	\$10,140
TOTAL COSTS	\$161	\$184	\$190	\$203	\$231	\$265	\$265	\$202	\$805	\$1,338	\$2,143	\$100,721	\$2,506	\$130,312
New														
RETAINED EARNINGS	\$49	\$26	\$30	\$47	\$49	\$100	\$110	\$18	\$245	\$362	\$607	\$28,529	\$674	\$35,048
EFFECTIVE HOURLY	\$4.90	\$2.36	\$2.73	\$4.27	\$4.26	\$8.33	\$9.17	\$1.64	\$4.90	\$5.28	\$5.12	\$5.12	\$4.83	\$4.83
Average														
RETAINED EARNINGS	\$84	\$63	\$68	\$95	\$91	\$180	\$183	\$56	\$420	\$680	\$1,100	\$51,716	\$1,241	\$64,515
EFFECTIVE HOURLY	\$8.40	\$5.70	\$6.21	\$8.67	\$7.88	\$15.00	\$15.28	\$5.12	\$8.40	\$9.93	\$9.29	\$9.29	\$8.89	\$8.89
Experienced														
RETAINED EARNINGS	\$114	\$96	\$105	\$142	\$134	\$255	\$255	\$93	\$570	\$987	\$1,557	\$73,179	\$1,764	\$91,728
EFFECTIVE HOURLY	\$11.40	\$8.73	\$9.55	\$12.91	\$11.65	\$21.25	\$21.25	\$8.45	\$11.40	\$14.41	\$13.14	\$13.14	\$12.65	\$12.65
Kilometres per Shift	230	270	280	280	325	365	365	275	1150	1885	3035	142645	3,540	184,080
Max Kms / Shift	260	300	320	320	350	400	400	300	1300	2090	3390	159330	3950	205400
Trips per shift	14	16	17	18	21	29	29	16	70	130	200	9400	230	11,960
% Hired Time	45	45	45	50	55	70	70	45	518	1077	1595	74953	1822	94744
Paid Kms	104	122	126	140	179	256	256	124	518	68.5	118.5	5569.5	140	7,254
Hours	10	11	11	11	11.5	12	12	11	50	50	50	18.18	140	17.69
Paid Time												18.18	trips per shii	
\$ on TI / TII	90/10	90/10	90/10	85/15	80/20	65/35	60/40	90/10	7.9	7.9	7.9	7 kms/ trip	7.92	16.29
effect on fares of TII	1%	1%	1%	1.50%	2%	9%	9%	1.50%	2.30%	2.30%	2.30%	0.9 km on w/t	\$ per trip	85

Fares include Chargeable Fares and late Night Tariff and Tips
Tolls not included

Attachment 14

Attachment 6

Comparison of Method I and Method II Incomes

	Day	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	AVERAGE
New	Fares	\$ 210.00	\$ 220.00	\$ 250.00	\$ 280.00	\$ 365.00	\$ 375.00	\$ 220.00	\$ 266.25
	Total Costs	\$ 140.00	\$ 170.00	\$ 180.00	\$ 200.00	\$ 235.00	\$ 235.00	\$ 170.00	\$ 186.25
M I	Retention	\$ 95.00	\$ 100.00	\$ 110.00	\$ 120.00	\$ 160.00	\$ 160.00	\$ 100.00	\$ 117.50
	Hourly	\$ 9.50	\$ 9.09	\$ 10.00	\$ 10.43	\$ 13.33	\$ 13.33	\$ 9.09	\$ 10.43
M II	Retention	\$ 50.00	\$ 60.00	\$ 60.00	\$ 65.00	\$ 110.00	\$ 110.00	\$ 60.00	\$ 71.88
	Hourly	\$ 5.01	\$ 5.45	\$ 5.45	\$ 5.65	\$ 9.16	\$ 9.16	\$ 5.45	\$ 6.35
Average	Fares	\$ 245.00	\$ 258.00	\$ 298.00	\$ 322.00	\$ 445.00	\$ 448.00	\$ 258.00	\$ 315.13
	Total Costs	\$ 161.00	\$ 190.00	\$ 203.00	\$ 231.00	\$ 265.00	\$ 265.00	\$ 202.00	\$ 212.63
M I	Retention	\$ 103.00	\$ 108.00	\$ 125.00	\$ 133.00	\$ 185.00	\$ 185.00	\$ 104.00	\$ 131.00
	Hourly	\$ 10.30	\$ 9.81	\$ 11.36	\$ 11.56	\$ 15.42	\$ 15.42	\$ 9.45	\$ 11.61
M II	Retention	\$ 84.00	\$ 68.00	\$ 95.00	\$ 91.00	\$ 180.00	\$ 183.00	\$ 56.00	\$ 102.50
	Hourly	\$ 8.41	\$ 6.21	\$ 8.67	\$ 7.88	\$ 15.01	\$ 15.28	\$ 5.12	\$ 9.04
Experienced	Fares	\$ 275.00	\$ 295.00	\$ 345.00	\$ 365.00	\$ 520.00	\$ 520.00	\$ 295.00	\$ 361.88
	Total Costs	\$ 170.00	\$ 200.00	\$ 215.00	\$ 240.00	\$ 290.00	\$ 290.00	\$ 200.00	\$ 225.00
M I	Retention	\$ 125.00	\$ 130.00	\$ 156.00	\$ 165.00	\$ 235.00	\$ 235.00	\$ 172.00	\$ 168.25
	Hourly	\$ 12.50	\$ 11.82	\$ 14.18	\$ 14.35	\$ 19.58	\$ 19.58	\$ 15.64	\$ 14.91
M II	Retention	\$ 114.00	\$ 105.00	\$ 142.00	\$ 134.00	\$ 255.00	\$ 255.00	\$ 93.00	\$ 149.25
	Hourly	\$ 11.40	\$ 8.73	\$ 12.91	\$ 11.65	\$ 21.25	\$ 21.25	\$ 8.45	\$ 13.15

HOURS

10

11

11

11

11.5

12

12

11

