

Select Committee on the NSW Taxi Industry

# **Inquiry into the NSW taxi industry**

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## Terms of Reference

1. That a select committee be appointed to inquire into and report on the New South Wales taxi industry, and in particular:
  - (a) the adequacy of government reporting standards and regulation of the industry and the impact of this on the provision of quality taxi services for commuters, including for people using wheelchairs,
  - (b) the provision of government subsidies to the industry and the allocation and subsequent trading of free “Nexus” plates, including the impact on public revenue,
  - (c) the effect of limits on the supply of unrestricted taxi licences in New South Wales, particularly as it impacts on customer service,
  - (d) anti-competitive activities in the industry and the Government’s compliance with National Competition Council rulings,
  - (e) the performance of the wheelchair-accessible taxi fleet, with special regard to Federal disability discrimination laws and their compliance with the 2002 Disability Standards for Accessible Public Transport,
  - (f) the effectiveness of the Wheelchair Accessible Transport Taxi Driver Incentive scheme in providing better taxi services for people in wheelchairs,
  - (g) the Government’s response to the recommendations of a range of reviews into the taxi and hire car industry over the last decade,
  - (h) the level of transparency and accountability in the regulation of the industry, including the reasons for the failure to make public reports flowing from six out of ten inquiries or reviews over the last decade,
  - (i) the appropriateness and accountability mechanisms associated with the appointment of key Government ministers and bureaucrats to positions in the industry and its impact on Government policy,
  - (j) regulatory structures in other Australian jurisdictions and the optimal framework required to achieve the best possible taxi service for members of the public in New South Wales,
  - (k) working conditions and entitlements for taxi drivers, and
  - (l) any other related matters.
2. That, notwithstanding anything contained in the standing orders, the committee consist of six members as follows:
  - (a) two Government members,
  - (b) two Opposition members,

(c) Ms Lee Rhiannon, and

(d) The Hon Roy Smith.

3. That, notwithstanding anything in the standing orders, at any meeting of the committee, any four members of the committee will constitute a quorum.

That the committee report on Thursday 10 June 2010.<sup>1</sup>

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<sup>1</sup> *LC Minutes* (10/11/2009) 1489-1491, Item 26; as amended *LC Minutes* (26/11/2009) 1566, Item 6; as amended *LC Minutes* (18/3/2010) 1725, Item 7

## Committee Membership

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<b>Hon John Ajaka MLC</b>	Liberal Party	<i>(Chair)</i>
<b>Hon Penny Sharpe MLC</b>	Australian Labor Party	<i>(Deputy Chair)</i>
<b>Hon Greg Donnelly MLC</b>	Australian Labor Party	
<b>Hon Trevor Khan MLC</b>	The Nationals	
<b>Ms Lee Rhiannon MLC</b>	The Greens	
<b>Hon Roy Smith MLC</b>	The Shooters Party	

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Ms Rachel Simpson, Director

Ms Cathryn Cummins, Principal Council Officer

Ms Donna Hogan, Principal Council Officer

Ms Shu-Fang Wei, Assistant Council Officer

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## Chair's Foreword

I am pleased to present the report of the Select Committee on the NSW Taxi Industry.

The key message from this inquiry is that despite recent progress with reforms to the licensing framework, there remains significant need for further reform to create a competitive and viable taxi industry that will meet the needs of all its stakeholders. The report contains 59 recommendations that aim to facilitate this change.

Throughout the Inquiry, the Committee became aware of a number of issues that impact on the ability of the taxi industry to provide services to the people of NSW. The 10 per cent surcharge levied on the electronic payment of taxi fares using debit, credit or Cabcharge cards was especially concerning, particularly given that the proportion of fares paid by electronic means is increasing. The Committee considers that this surcharge is excessive, especially when compared with surcharges levied in other industries.

The Committee was disappointed that despite the high level of interest in a tender for new taxi licences held in January 2010 – over 800 applicants – the process resulted in further concentration of ownership, with many of the new licences awarded to existing licence holders. The Committee was also deeply concerned that for the 2010/11 licence release, there is no limit on the number of licences that any one applicant or related applicants can be allocated. We have made recommendations to encourage diversity in licence ownership and to ensure that licence ownership is not entrenched in the hands of a few industry stakeholders.

The Committee was concerned about the dual role played by taxi networks as both regulator and service provider, believing that reform is needed to dilute the influence that some networks have on the industry. We have therefore recommended that an independent regulator be established to monitor the administration and enforcement of the regulatory framework for taxis in NSW, with action taken to promote greater competition between taxi networks.

The Committee has made a number of recommendations to improve services for users of wheelchair accessible taxis, including that the percentage of wheelchair accessible taxis in the fleet be increased from the current 11 per cent to a minimum of 50 per cent by 2020, and that action be taken to improve compliance with the Disability Standards for Accessible Public Transport 2002.

Working conditions and entitlements for taxi drivers were also an area of significant concern. The Taxi Industry (Contract Drivers) Contract Determination 1984 should be reviewed to provide better clarity as to the employment status of drivers and also, to better reflect the current needs of the industry. Further, the Committee considers that greater emphasis should be placed on providing taxi drivers with support and opportunities to pursue satisfying careers in the industry.

I thank the individuals and organisations that provided submissions and gave evidence, for their assistance and ongoing concern regarding the challenging issues raised during this inquiry.

I would also like to thank my Committee colleagues for their commitment and valuable contributions to this important inquiry. On their behalf, I would like to also thank the Committee secretariat, Rachel Simpson, Cathryn Cummins, Donna Hogan and Shu-Fang Wei for their efforts in managing the inquiry process and this report.

I commend this report to the Government.

A handwritten signature in cursive script that reads "John Ajaka".

**Hon John Ajaka MLC**  
**Committee Chair**

## Executive Summary

In November 2009 the Select Committee on the NSW Taxi Industry was established to inquire into and report on a number of issues impacting on the NSW taxi industry. These issues included the regulation, transparency and accountability of the industry, performance of the wheelchair accessible taxi fleet, and working conditions and entitlements for taxi drivers.

The Committee's report comprehensively addresses the Inquiry's terms of reference, and makes 59 recommendations to improve taxi services in NSW. This summary provides a broad outline of the key issues raised during the Inquiry and discussed in this report, and highlights several of the recommendations made by the Committee.

### Allocation of new taxi licences

In October 2009, the NSW Government announced a series of proposed reforms to the taxi industry, including that there would be no cap on the number of taxi licences that could be issued each year. This was effectively deregulating the industry. Inquiry participants were concerned about the potential impact of these changes on the value of taxi licences and the industry's long-term viability.

Following extensive consultation with industry stakeholders, the proposed reform package was changed to include a cap on the number of licences that can be issued each year. The Committee was advised that the Director General of NSW Transport and Infrastructure will determine the number of licences to be released, following consideration of a number of factors such as likely demand for taxi services and the performance of the existing fleet.

In considering the impact of this new licensing framework, the Committee has made a number of recommendations to ensure that any future allocation processes are transparent and equitable, and that the ownership of new taxi licences is not concentrated in the hands of existing licence holders. Most notably, the Committee has recommended that for all future licence allocation processes, NSW Transport and Infrastructure limit the number of licences that an applicant or related applicants can receive to one. In addition, the Committee considers that individuals or entities that currently own 10 or more licences should be disqualified from future allocation processes, in order to encourage diversity in licence ownership.

Recommendations 1 to 6 address these issues.

### Nexus scheme licences

An ongoing area of concern during the Inquiry was the linked standard and wheelchair accessible taxi licences issued under the so-called 'Nexus scheme'. These licences were issued free of charge in the early 1980s and 1990s in order to cross-subsidise the provision of wheelchair accessible taxi services.

Deloitte Touche Tohmatsu produced two reports into the Nexus scheme that made no findings of impropriety in relation to the scheme. However, Inquiry participants were concerned about perceived financial advantages gained by holders of Nexus scheme licences. The Committee acknowledges these

concerns, but considers that the length of time since the introduction of the licences, and their subsequent transfers, makes it difficult to determine who should bear responsibility for addressing the outcomes of past policy decisions.

The Committee believes that the clarification of the operating conditions of the Nexus licences under changes to the *Passenger Transport Act 1990* provides sufficient clarity and transparency. Accordingly, Recommendation 7 states that no further action should be contemplated in relation to the Nexus scheme licences.

### **Taxi networks**

One of the themes discussed throughout the Inquiry was the role and influence of Sydney-based taxi networks. In particular, Inquiry participants were concerned about the wide-ranging influence of Cabcharge Australia, and its associated entities, in the NSW taxi industry. The Committee considers that NSW Transport and Infrastructure should take action to promote greater competition between taxi networks, and encourage the establishment of more taxi networks to serve the Sydney Metropolitan Transport District.

The Committee has therefore recommended, in Recommendations 8 and 9, that the Minister for Transport remove the legislative requirement that a network must be able to provide services to the entire Sydney metropolitan area seven days a week, 24 hours a day, provided that taxi networks have a redirect mechanism for out of area bookings. Further, the Committee believes that NSW Transport and Infrastructure should undertake a thorough review of the regulations governing taxi networks, with a view to removing barriers that may preclude new networks from entering the industry. These measures will promote the establishment of smaller networks that serve specific geographic locations, and facilitate greater competition for network services.

### **Availability of taxis**

The industry-wide three o'clock changeover has been a recurring issue for the taxi industry. The Committee is unclear as to why the industry has failed to explore staggered changeover times in order to have a constant supply of taxis for passengers. The Committee has recommended that NSW Transport and Infrastructure introduce varied changeover times, as part of licensing conditions, as a means of overcoming this long-standing problem. In addition, the Committee believes that NSW Transport and Infrastructure should explore the feasibility of introducing more peak period taxi licences to increase the availability of taxis after major events, and when demand for taxi services peak, such as at weekends and during the Christmas and New Year period.

The Committee further considers that there should be an increase in the number of taxi ranks in areas where passenger demand is significant. This will improve passenger safety in hailing and entering a taxi, as well as allowing taxi drivers to readily identify safe places to stop. Growth in the number of designated secure ranks will also facilitate the quicker dispersal of large crowds, and provide better safety for both taxi drivers and passengers through the presence of security personnel.

The Committee has also suggested that NSW Transport and Infrastructure explore the merits of allowing greater flexibility in the types of vehicles that may be used as taxis, subject to safety and security requirements. This will allow for the development of a taxi fleet that is better suited to a

changing operating environment where road congestion and environmental impacts are increasingly important considerations.

Recommendations 10 to 15 address issues pertaining to the availability of taxis.

### **Taxi fares, including the 10 per cent surcharge on electronic payment**

The 10 per cent surcharge on the electronic payment of taxi fares using a debit, credit or Cabcharge card provoked a great deal of discussion among Inquiry participants. The Committee considers that the 10 per cent surcharge is a matter of extreme public interest, particularly given the ever-increasing proportion of taxi fares that are paid electronically.

The Committee was made aware of the current proceedings by the Australian Competition and Consumer Commission in regard to Cabcharge Australia. Regardless of the outcome of this case, the Committee has recommended that the Minister for Finance request that the Federal Minister for Finance and Deregulation review the 10 per cent surcharge, including determining the impact of the surcharge on consumers of taxi services.

The Committee considered a number of other issues relating to the payment of taxi fares, such as pre-payment of taxi fares for late night travel. The majority of Inquiry participants felt that requiring the pre-payment of fares would assist to drastically reduce the incidence of fare evasion, and may also encourage more taxi drivers to be on the road at night because of guaranteed fare payment.

The Committee has also made recommendations to improve passenger confidence in taxi fares through the provision of an itemised receipt that details each element of a taxi fare.

Recommendations 16 to 20 respond to issues concerning taxi fares.

### **The wheelchair accessible taxi fleet**

Accessible taxi services play a critical role in facilitating access to all aspects of life for community members with mobility issues. The Committee acknowledges that despite increases in the number of wheelchair accessible taxis, there are still significant variations in service levels across metropolitan and regional NSW. Accordingly, the Committee has made a number of recommendations to improve services for users of wheelchair accessible taxis, including that the percentage of wheelchair accessible taxis in the fleet be increased from the current 11 per cent to a minimum of 50 per cent by 2020.

Inquiry participants identified two areas where the NSW taxi fleet does not meet the Disability Standards for Accessible Public Transport 2002: firstly, parity in response times between the accessible and standard taxi fleet and secondly, space dimensions required for accessible taxis. The Committee has recommended that NSW Transport and Infrastructure enhance the key performance indicators for the wheelchair accessible fleet to ensure that they accurately capture information, particularly in regard to the waiting times experienced by passengers. The Committee has also recommended an audit of the entire wheelchair accessible fleet to identify any vehicles that do not comply with the space dimensions stipulated by the Disability Standards for Accessible Public Transport 2002.

The Committee has further recommended that the Minister for Transport request the Australian Transport Council undertake a feasibility study into the introduction of a universally accessible taxi fleet in Australia. Whilst the Committee acknowledges the considerable financial investment required to

establish a universally accessible taxi fleet, the Committee considers that significant benefit will be gained from ensuring maximum accessibility of the fleet, particularly given the impact of the rapidly ageing population on demand for accessible taxi services.

The Taxi Transport Subsidy Scheme provides financial assistance to users of wheelchair accessible taxis. The Committee has recommended that the subsidy provided by this scheme be increased to half the total fare, up to a maximum value of \$50.00 per fare, to better reflect the high travel costs faced by passengers with disability. The Committee considers that the Independent Pricing and Regulatory Tribunal should evaluate the value of both the Taxi Transport Subsidy Scheme and the Taxi Driver Incentive Scheme, provided to drivers who undertake wheelchair accessible taxi work, during the annual review of taxi fares.

Recommendations 21 to 39 relate to wheelchair accessible taxi services.

### **Transparency and accountability**

One of the central issues that emerged during the Inquiry was the need for greater transparency and accountability in the taxi industry. The Committee has made a number of recommendations that aim to improve the accessibility of information pertaining to the taxi industry, and to increase transparency and accountability.

The Committee has recommended that NSW Transport and Infrastructure establish a public register of licences owners, by July 2011, to enhance transparency and generate a clearer understanding of the dynamics of the taxi industry. The Committee has also recommended that the key performance indicators for the industry be disaggregated on the basis of network, geographic area and time of day, to allow for a more detailed understanding of industry performance. To further increase awareness of the industry's performance, the Committee believes that NSW Transport and Infrastructure should finalise and implement key performance indicators for both standard and wheelchair accessible taxi services in regional and rural NSW, and that performance measures should be developed for rank and hail taxis.

NSW Transport and Infrastructure and the taxi networks currently share regulatory oversight of the industry. Inquiry participants were deeply concerned by this co-regulatory approach, particularly given the dual role that networks play as both regulator and service provider. The Committee has recommended that the Minister for Transport investigate the feasibility of establishing an independent regulator to monitor the administration and enforcement of the regulatory framework for taxis in NSW.

The Committee further considers that NSW Transport and Infrastructure should finalise the establishment of a taxi advisory committee, consisting of a broad range of stakeholders, by December 2010. The previous advisory committee ceased to operate in 2004.

Recommendations 40 to 48 address issues of transparency and accountability in the taxi industry.

### **Working conditions and entitlements for taxi drivers**

Inquiry participants highlighted several aspects relating to the working conditions and entitlements for taxi drivers. Most notably, Inquiry participants were concerned that as the Taxi Industry (Contract Drivers) Contract Determination 1984 only applies to permanent bailee drivers in the Sydney Metropolitan Area, a large number of taxi drivers are not afforded protection under the Determination.

This may generate confusion among drivers as to their entitlements and possibly hinder a drivers' ability to make informed decisions about their employment conditions. The Committee believes that the Industrial Relations Commission should review the Determination to reflect the current needs of the taxi industry.

The Committee considers that improvements can be made to the driver training course undertaken by all new taxi drivers. NSW Transport and Infrastructure should require an increased emphasis on occupational health and safety, industrial issues and insurance rights to better inform taxi drivers of their entitlements and responsibilities. The Committee also believes that driver training courses should include disability awareness training for all taxi drivers, to equip drivers with the necessary skills to transport passengers with a range of disabilities.

The Committee was concerned that in carrying out their work, taxi drivers are exposed to a range of safety and security risks, including occupational health and safety risks arising from the unroadworthiness of vehicles, driver fatigue and transporting passengers who may be under the influence of alcohol or illicit substances. The Committee has made a number of recommendations to address these issues, such as an increase in the penalties faced by taxi operators if a vehicle is unroadworthy, and a review of the specifications for security cameras to require footage to be retained for a minimum of 60 days.

The Committee believes that NSW Transport and Infrastructure, together with the Roads and Traffic Authority, should review current parking and driving regulations to enhance the ability of taxi drivers to legally set-down and pick-up passengers. In addition, the Committee has recommended that the Minister for Transport amend the Passenger Transport Regulation 2007 to require all taxis in NSW to be fitted with GPS devices.

Recommendations 49 to 59 address issues pertaining to working conditions and entitlements for taxi drivers.

The Committee considers that this report and its recommendations will result in positive reforms to the taxi industry, and facilitate the development of a responsive, viable industry that meets the needs of all industry stakeholders.

## Summary of Recommendations

- Recommendation 1** *Page 40*  
That NSW Transport and Infrastructure limit the number of licences an applicant, or related applicants, can receive in future licence allocations, to one.
- Recommendation 2** *Page 40*  
That NSW Transport and Infrastructure disqualify individuals or entities that currently own 10 or more licences from participating in future allocations of new licences.
- Recommendation 3** *Page 40*  
That NSW Transport and Infrastructure adopt a ballot system for allocation of future licences to qualified applicants.
- Recommendation 4** *Page 43*  
That NSW Transport and Infrastructure investigate the establishment of a taxi licence seniority register for drivers with an exemplary service record that may be used in future licence allocations.
- Recommendation 5** *Page 45*  
That NSW Transport and Infrastructure employ more compliance officers to conduct regular and unannounced inspections of taxis in New South Wales and officers be provided with a comprehensive compliance checklist.
- Recommendation 6** *Page 45*  
That NSW Transport and Infrastructure conduct an audit of all vehicles in the NSW taxi fleet, with the audit commencing in January 2011.
- Recommendation 7** *Page 55*  
That NSW Transport and Infrastructure take no further action in respect of the Nexus scheme licences.
- Recommendation 8** *Page 65*  
That the Minister for Transport pursue an amendment to the *Passenger Transport Act 1990* to remove the requirement that taxi networks must have the capacity to provide coverage to the entire Sydney metropolitan area, seven days a week, 24 hours a day, and that taxi networks have a redirect mechanism for out of area bookings.
- Recommendation 9** *Page 66*  
That NSW Transport and Infrastructure undertake a thorough review of all of the regulations governing the operation of taxi networks, with a view to removing any further barriers that may preclude new networks from entering the taxi industry and encouraging the entry of new taxi networks into the industry.
- Recommendation 10** *Page 72*  
That NSW Transport and Infrastructure introduce varied changeover times as part of taxi licence conditions and regulations.

- Recommendation 11** *Page 75*  
That NSW Transport and Infrastructure examine the merits of allowing greater flexibility in the type of vehicle that can be used as a taxi, subject to safety and security requirements.
- Recommendation 12** *Page 75*  
That NSW Transport and Infrastructure explore the feasibility of introducing a greater number of peak period taxi licences.
- Recommendation 13** *Page 84*  
That, following consultation with industry stakeholders, NSW Transport and Infrastructure increase the number of taxi ranks in locations with significant passenger demand.
- Recommendation 14** *Page 84*  
That, following consultation with industry stakeholders, NSW Transport and Infrastructure increase the number of secure taxi ranks at weekends and during times of high demand for taxi services, such as during the festive season or special events.
- Recommendation 15** *Page 87*  
That, subject to the successful trial on the NSW Central Coast, NSW Transport and Infrastructure introduce pre-payment of fares for late night travel across the Sydney Metropolitan Area.
- Recommendation 16** *Page 87*  
That NSW Transport and Infrastructure undertake a community awareness campaign to inform prospective passengers of the introduction of pre-payment of fares for late night travel.
- Recommendation 17** *Page 91*  
That NSW Transport and Infrastructure determine what equipment is needed to automatically issue an itemised receipt at the end of each taxi journey, with a view to making this a requirement in all taxis.
- Recommendation 18** *Page 103*  
That the Minister for Finance request that the Federal Minister for Finance and Deregulation review, in light of general level of service fees charged across various industries, the 10 per cent surcharge levied on the electronic payment of taxi fares.
- Recommendation 19** *Page 103*  
That NSW Transport and Infrastructure investigate whether there are actions that can be undertaken by the Department to regulate electronic transaction fees within the NSW taxi industry.
- Recommendation 20** *Page 104*  
That a feasibility study be undertaken into a NSW government-run licensed and regulated payment system that is part of the planned integrated public transport ticketing system.
- Recommendation 21** *Page 119*  
That NSW Transport and Infrastructure develop a 10-year plan to increase the percentage of wheelchair accessible taxis from the current 11 per cent to a minimum of 50 per cent of the NSW taxi fleet, and that where there is only one licensed taxi in a geographic area, it must be a wheelchair accessible taxi.

**Recommendation 22****Page 119**

That NSW Transport and Infrastructure establish a service agreement for the use of taxi services in community transport programs.

**Recommendation 23****Page 124**

That NSW Transport and Infrastructure include in the key performance indicators for the wheelchair accessible taxi fleet a mechanism to accurately capture information on the experiences of wheelchair accessible taxi passengers, including waiting times.

**Recommendation 24****Page 124**

That NSW Transport and Infrastructure require providers of wheelchair accessible taxi services in regional and rural areas to provide six-monthly reports on their key performance indicators.

**Recommendation 25****Page 130**

That NSW Transport and Infrastructure immediately implement a revised Wheelchair Accessible Taxi Measurement Protocol, based on the three dimensional cube.

**Recommendation 26****Page 130**

That NSW Transport and Infrastructure conduct an audit of all wheelchair accessible taxis to identify vehicles that are non-compliant with the Disability Standards for Accessible Public Transport, and revoke the wheelchair accessible taxi licence if the vehicle is still non-compliant within three years.

**Recommendation 27****Page 130**

That NSW Transport and Infrastructure provide financial incentives to operators of non-compliant vehicles to modify their vehicle to meet the Disability Standards for Accessible Public Transport as soon as possible.

**Recommendation 28****Page 130**

That NSW Transport and Infrastructure conduct an annual inspection of the wheelchair accessible taxi fleet, to ensure continued compliance with the Disability Standards for Accessible Public Transport and the regulations.

**Recommendation 29****Page 137**

That the NSW Minister for Transport request the Australian Transport Council undertake a feasibility study into the introduction of a universally accessible taxi fleet in Australia, and as part of this study examine ways in which the standard taxi fleet can be upgraded to be wheelchair accessible taxi compliant, including financial incentives.

**Recommendation 30****Page 141**

That NSW Transport and Infrastructure direct the Zero200 booking service to create and implement ways to allow pre-allocation of booking requests at the time a booking is made and to allow pre-booking of regular trips.

**Recommendation 31****Page 141**

That, subject to privacy considerations and the consent of passengers, NSW Transport and Infrastructure request that the Zero200 booking service to investigate how to retain customer information, such as a requirement for a certain type of vehicle or pick-up procedure.

- Recommendation 32** *Page 143*  
That the Minister for Local Government request local councils to undertake a review of taxi ranks in their area to determine rank accessibility, and identify areas where improvements can be made.
- Recommendation 33** *Page 144*  
That the Minister for Transport amend the parking regulations to allow wheelchair accessible taxis to stop for up to 15 minutes in disabled parking zones and in loading zones to set-down and pick-up passengers with disability.
- Recommendation 34** *Page 146*  
That NSW Transport and Infrastructure consult with Vision Australia to determine ways to improve the accessibility of taxis for people with vision impairment.
- Recommendation 35** *Page 150*  
That NSW Transport and Infrastructure increase the value of the subsidy provided by the Taxi Transport Subsidy Scheme to half the total fare, up to a maximum value of \$50.00 per fare.
- Recommendation 36** *Page 150*  
That the Premier request the Independent Pricing and Regulatory Tribunal to consider the value of the subsidy provided under the Taxi Transport Subsidy Scheme as part of its annual review of taxi fares.
- Recommendation 37** *Page 152*  
That NSW Transport and Infrastructure expedite the introduction of an electronic card system to facilitate payments made under the Taxi Transport Subsidy Scheme.
- Recommendation 38** *Page 155*  
That NSW Transport and Infrastructure require all taxi drivers to undertake disability awareness training, including training in assisting people with intellectual disability, vision impairment, and people using guide dogs and assistance dogs, as a compulsory component of the driver-training program.
- Recommendation 39** *Page 155*  
That NSW Transport and Infrastructure ensure that people with disability are involved in the development and delivery of disability awareness training programs for taxi drivers.
- Recommendation 40** *Page 158*  
That the Premier request the Independent Pricing and Regulatory Tribunal to consider the value of the subsidy provided by the Taxi Driver Incentive Scheme as part of its annual review of taxi fares.
- Recommendation 41** *Page 160*  
That NSW Transport and Infrastructure establish a publicly available register of taxi licence owners by July 2011.
- Recommendation 42** *Page 163*  
That the Minister for Transport, through NSW Transport and Infrastructure, publish all of the reports and reviews that have been conducted into the NSW taxi industry.

- Recommendation 43** *Page 167*  
That the Minister for Transport investigate the feasibility of establishing an independent regulator to monitor administration and enforcement of the regulatory framework in NSW.
- Recommendation 44** *Page 175*  
That NSW Transport and Infrastructure undertake a community awareness campaign to encourage more people to provide feedback to the Customer Feedback Management System.
- Recommendation 45** *Page 175*  
That NSW Transport and Infrastructure establish a specific unit within the Customer Feedback Management System to deal with complaints about taxi services for people with accessibility issues.
- Recommendation 46** *Page 175*  
That NSW Transport and Infrastructure publish disaggregated performance data on the basis of network, geographic area and time of day.
- Recommendation 47** *Page 176*  
That NSW Transport and Infrastructure finalise and implement key performance indicators for regional and rural taxi networks, to commence in July 2011.
- Recommendation 48** *Page 176*  
That NSW Transport and Infrastructure undertake an annual, independent and random survey of customer satisfaction and publish the results of that survey on their website.
- Recommendation 49** *Page 176*  
That NSW Transport and Infrastructure examine ways to measure the performance of rank and hail taxis as part of its assessment of the performance of the entire NSW taxi industry.
- Recommendation 50** *Page 179*  
That NSW Transport and Infrastructure finalise the re-establishment of a taxi advisory committee, to meet regularly and report to the Director General of NSW Transport and Infrastructure on its deliberations, and consisting of a broad range of stakeholders, by December 2010.
- Recommendation 51** *Page 188*  
That the Minister for Transport pursue an amendment to the Passenger Transport Regulation 2007 to require all taxis in the NSW fleet to be fitted with GPS devices.
- Recommendation 52** *Page 201*  
That NSW Transport and Infrastructure review the current driver training program and increase the amount of time that is allocated to teaching about occupational health and safety as well as industrial rights issues.
- Recommendation 53** *Page 201*  
That the Minister for Industrial Relations request that the NSW Industrial Relations Commission review the Taxi Industry (Contract Drivers) Contract Determination 1984, to reflect the current needs of the NSW taxi industry.

**Recommendation 54**

*Page 211*

That NSW Transport and Infrastructure review the new specifications for security cameras to ensure that the most technologically advanced cameras are installed in all NSW taxis, and that footage generated by those cameras is retained for a minimum of 60 days.

**Recommendation 55**

*Page 212*

That the Minister for Transport pursue an amendment to the Passenger Transport Regulation 2007 to increase the penalties faced by taxi operators if their vehicle is identified as unroadworthy.

**Recommendation 56**

*Page 217*

That NSW Transport and Infrastructure, together with the Roads and Traffic Authority, undertake a review of current parking and driving regulations that affect taxi services, with the aim of facilitating greater ease of pick-up and set-down of passengers and enabling taxis to drive along transit ways.

**Recommendation 57**

*Page 219*

That NSW Transport and Infrastructure review the content of the driver training course to include information about insurance rights and responsibilities as a compulsory component of the course.

**Recommendation 58**

*Page 219*

That NSW Transport and Infrastructure send information to all licensed taxi operators reminding them of their obligations in relation to insurance and their responsibilities in relation to insurance excess.

**Recommendation 59**

*Page 219*

That the NSW Transport and Infrastructure prepare plain English information sheets outlining a driver's rights and responsibilities in regard to insurance issues for distribution to drivers.



## Chapter 1 Introduction

This Chapter provides an overview of the establishment of the Inquiry, and concludes with an outline of the structure of the report.

### Establishment of the Committee

- 1.1 The Select Committee on the NSW taxi industry was established by resolution of the Legislative Council on 10 November 2009 to inquire into and report on the taxi industry in New South Wales. The terms of reference are reproduced on page iv.<sup>2</sup>
- 1.2 The terms of reference required the Committee to examine issues such as the regulation, transparency and accountability of the industry and its impact on the provision of quality taxi services for commuters, including for people using wheelchairs. The terms of reference also required the Committee to review working conditions and entitlements for taxi drivers.
- 1.3 The reporting date for the inquiry was extended to 10 June 2010 by resolution of the Legislative Council on 18 March 2010.<sup>3</sup>

### Submissions

- 1.4 The Committee invited submissions through advertisements in *The Sydney Morning Herald* and *The Daily Telegraph* and by writing to a broad range of stakeholders. This included taxi operators in regional and metropolitan areas.
- 1.5 The Committee received 68 submissions and 11 supplementary submissions from a wide range of stakeholders, including NSW Transport and Infrastructure, the NSW Taxi Council, the NSW Taxi Drivers' Association and the Disability Council of NSW. The Committee also received submissions from taxi drivers, passengers and academics.
- 1.6 A list of submissions can be found in Appendix 1.

### Hearings

- 1.7 The Committee held four public hearing during the course of its inquiry. The hearings were held at Parliament House on 2 February, 3 February, 4 February 2010 and 31 March 2010.
- 1.8 The Committee received evidence from a number of organisations and individuals, including Cabcharge Australia, taxi drivers from metropolitan and regional NSW, the Tourism and Transport Forum and the Council of Social Service of New South Wales.

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<sup>2</sup> *LC Minutes* (10/11/2009) 1488-1491

<sup>3</sup> *LC Minutes* (18/3/2010) 1725

- 1.9 A list of witnesses can be found in Appendix 2. Transcripts from the hearings, together with documents tabled during proceedings and published by the Committee can be found at the Committee's website.<sup>4</sup> A list of tabled documents appears in Appendix 3.
- 1.10 The Committee would like to extend its thanks to the individuals and organisations that contributed to this inquiry either by making a submission or appearing at a hearing.

## Report structure

- 1.11 The next chapter, **Chapter 2**, provides an overview of the NSW taxi industry. The Chapter discusses the legislative framework and industry participants, before providing a summary of previous reports and inquiries into the industry.
- 1.12 **Chapter 3** examines the availability of taxi licences, with particular consideration given to the potential impact of deregulation, and the future allocation of licences under the 2009 changes to the *Passenger Transport Act 1990*. The compliance of NSW with the National Competition Policy is also discussed.
- 1.13 **Chapter 4** explores the vexed issues of the Nexus scheme licences, and the role of taxi networks in the industry.
- 1.14 The next chapter, **Chapter 5**, considers the availability of taxis in metropolitan and regional NSW, including the long standing problem of the 3 o'clock changeover
- 1.15 **Chapter 6** examines the payment of fares, including the 10 percent surcharge that is levied on taxi fares that are paid with a debit, credit or Cabcharge card.
- 1.16 **Chapter 7** discusses the availability of wheelchair accessible taxis, with particular reference to the compliance of NSW with the Disability Standards for Accessible Public Transport 2002.
- 1.17 **Chapter 8** explores a range of issues impacting on the accessibility of the taxi fleet, such as the feasibility of introducing a universally accessible taxi. The Chapter also explores the Taxi Transport Subsidy Scheme and the Taxi Driver Incentive Scheme.
- 1.18 The next chapter, **Chapter 9**, discusses one of the central themes of the Inquiry – a need for greater transparency and accountability. The Chapter canvasses a number of issues, such as the need for a public register of licence owners and concerns about the appointment of former Ministers and public officials to positions in the taxi industry.
- 1.19 **Chapter 10** explores the employment conditions and entitlements for taxi drivers, including driver training requirements and the Taxi Industry (Contract Drivers) Contract Determination 1984.
- 1.20 The final chapter, **Chapter 11** examines the working conditions for taxi drivers, such as the roadworthiness of vehicles, occupational health and safety concerns, and road and parking regulations that impact on a driver's ability to perform their job safely and efficiently.

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<sup>4</sup> The Committee's website can be found at <<http://www.parliament.nsw.gov.au/nswtaxiindustry>>

## Chapter 2 The New South Wales taxi industry

This Chapter provides an overview of the NSW taxi industry, including the legislative framework and a description of industry participants and their interrelationships. The Chapter concludes with a summary of previous reports and inquiries into the industry that are relevant to this Inquiry, in response to term of reference (g). Detailed consideration of the various elements of the taxi industry in NSW occurs in subsequent chapters.

### Taxi industry in New South Wales

- 2.1** The NSW taxi industry is the largest taxi industry in Australia.<sup>5</sup> There are 6,500 operating taxis in NSW, with approximately 175 million passenger journeys taken annually.<sup>6</sup> It is estimated that businesses spend approximately \$90 million per annum on taxi travel and tourists spend another \$40 million per annum.<sup>7</sup>
- 2.2** Taxis are an important element of the public transport system in NSW. The NSW Taxi Council explained that this means that taxi services must meet certain public policy objectives, including providing a universal service, providing a high degree of safety and accountability, and providing the service at a regulated price.<sup>8</sup>
- 2.3** Approximately 11 percent of the NSW taxi fleet is comprised of wheelchair accessible taxis, with no minimum requirement as to the number of WATs that must be in the fleet.<sup>9</sup> A wheelchair accessible taxi is a vehicle that has been specifically designed for, or modified to transport, persons using a wheelchair.<sup>10</sup> NSW Transport and Infrastructure reports that there were 743 wheelchair accessible taxis operating across NSW in February 2010.<sup>11</sup> The wheelchair accessible taxi fleet is discussed in detail in Chapters 7 and 8.

### Regulation of the industry

- 2.4** NSW Transport and Infrastructure regulates the NSW taxi industry through the *Passenger Transport Act 1990* and the *Passenger Transport Regulation 2007*.<sup>12</sup> These regulations are discussed in Chapter 3.

<sup>5</sup> NSW Taxi Industry Association, *the NSW Taxi Council and the Country Taxi Operators Association of NSW, 2009 Taxi Reform Package*, November 2009, p 3

<sup>6</sup> NSW Taxi Council, *Taxis in NSW – Overview* <<http://www.nswtaxi.org.au/>>

<sup>7</sup> Hawkless Consulting, *National Competition Policy Review: Passenger Transport Act 1990 Part 4: Taxi Cabs*, 23 June 2005, p 8

<sup>8</sup> Submission 42, NSW Taxi Council, p 1

<sup>9</sup> Submission 45, NSW Transport and Infrastructure, p 10

<sup>10</sup> NSW Transport and Infrastructure, *Wheelchair Accessible Taxi* <<http://www.transport.nsw.gov.au>>

<sup>11</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Les Wielinga, Director General, NSW Transport and Infrastructure, p 13

<sup>12</sup> Submission 45, p 1; Submission 42, p 1

- 2.5** Part 4 of the *Passenger Transport Act 1990* sets out accreditation and licensing conditions for taxi cab services, and includes requirements for operators, licence holders, taxi drivers, and networks.<sup>13</sup> The Passenger Transport Regulation 2007 provides more prescriptive information regarding the requirements of industry participants, and in addition outlines the obligations of passengers using public passenger services.
- 2.6** The *Passenger Transport Amendment (Taxi Licensing) Act 2009* was enacted with the aim of achieving ‘a gradual and sustainable increase in the taxi fleet’.<sup>14</sup> The Act clarified the provisions relating to the paired standard and WAT licences (the Nexus licences), and set the following operating conditions for new licences:
- licences will be annually renewable for up to a maximum of 10 years, subject to compliance with normal operating standards
  - the annual licence fee will remain the same as the original price bid for the licence for the 10 year period
  - the licence can be leased, but must be operated by an accredited operator
  - the licence cannot be transferred.<sup>15</sup>
- 2.7** This Act is discussed in detail in Chapter 3, while the Nexus scheme licences are discussed in Chapter 4.

### **Specifications for taxis**

- 2.8** A standard taxi must be able to accommodate between 5 and 12 adults, including the driver, and have at least four side doors. A maxi-cab must have 7 to 12 adult seats, including the driver’s seat, and door restrictions do not apply.<sup>16</sup>
- 2.9** A wheelchair accessible taxi does not have any seat number or door restrictions but it must have an allocated space available for one wheelchair that complies with the Commonwealth Disability Standards for Accessible Public Transport 2002. These Standards are discussed in Chapter 7.
- 2.10** The Passenger Transport Regulation 2007 prescribes the maximum age of taxis:
- standard taxis and maxi-cabs operating in the Sydney Metropolitan transport district must not be older than 6.5 years from the date of the attachment of their compliance plates
  - standard taxis and maxi-cabs operating in the rest of the State must not be older than 8.5 years from the date of the attachment of their compliance plates

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<sup>13</sup> *Passenger Transport Act 1990* Part 4 Taxi-cabs

<sup>14</sup> NSWPD (*Legislative Council*) 26 November 2009, p 20019

<sup>15</sup> NSW Transport and Infrastructure, *Outline of the new taxi licensing administration* < <http://www.transport.nsw.gov.au/taxireform/> > (accessed 13 May 2010)

<sup>16</sup> Passenger Transport Regulation 2007 cl 109

- wheelchair accessible taxis operating in all areas of the State may not be older than 10.5 years from the date of the attachment of their compliance plates.<sup>17</sup>

**2.11** The Regulation also prescribes other legal requirements relating to the fit out of vehicles used as taxis, including:

- installation of a compliant taxi meter, child restraint fittings, duress alarm, vehicle tracking device, security camera and driver protection screen
- provision of a fully operational air-conditioning system
- display of signs, lights, decals, registration details and authority cards.<sup>18</sup>

**2.12** Particular provisions relating to wheelchair accessible taxis are further specified, including:

- having mechanisms that provide safe access to the taxi for a person using a wheelchair
- carrying the correct number of wheelchair restraints
- displaying appropriate signage to indicate that the taxi is wheelchair accessible.<sup>19</sup>

## Industry participants

**2.13** The participants in the NSW taxi industry operate collectively to provide passenger services. The industry is comprised of six main groups:

- **licence owners**, who may be owner-drivers or lease their plates to taxi companies or individual operators
- **taxi companies and cooperatives**, who sell bundled services such as insurance and repairs to operators, but who may also manage licence plates and operate taxi businesses
- **operators**, who may be owner-drivers, individuals leasing a plate and operating a vehicle, or companies that manage multiple licences, vehicles and drivers
- **networks**, which are taxi companies that also provide phone booking, dispatch and safety services to their members and to other taxi companies
- **drivers**, who either drive their own vehicle as an operator, or contract their services to operators (termed 'bailee drivers')
- **passengers**, who purchase transport services from drivers.<sup>20</sup>

<sup>17</sup> Passenger Transport Regulation 2007 cl 110

<sup>18</sup> Passenger Transport Regulation 2007 Div One

<sup>19</sup> Passenger Transport Regulation 2007 cl 108

<sup>20</sup> Independent Pricing and Regulatory Tribunal (IPART), *2009 Review of Taxi Fares in NSW: Maximum fares from 1 July 2009 – Final Report and Recommendation*, p 54

2.14 There are also a number of other participants in the industry, such as NSW Transport and Infrastructure, the NSW Taxi Council, the Transport Workers Union (NSW Branch) and other representative and government bodies. These groups are discussed later in this Chapter.

### Licence owners

2.15 The Director General of NSW Transport and Infrastructures may licence motor vehicles for use as taxis.<sup>21</sup> All taxis must be licenced by NSW Transport and Infrastructure, although many licence owners do not operate a taxi themselves, but lease their licence to a taxi operator.<sup>22</sup>

2.16 In NSW there are five main types of licences:

- **perpetual licences**, which were issued prior to the commencement of the *Passenger Transport Act 1990*. These licences remain in force until they are surrendered or cancelled, and may be transferred<sup>23</sup>
- **ordinary licences**, which have a defined tenure for up to 50 years and may be transferred
- **short term licences**, which are issued for a period not exceeding six years
- **annual licences**, which are issued for a taxi operated wholly or partly within the metropolitan transport district
- **wheelchair accessible taxi licences**, which must be renewed every 12 months.<sup>24</sup>

2.17 In February 2010, there were 6,559 taxi plates in NSW, owned by 4,546 licence owners.<sup>25</sup> Mr Les Wielinga, Director General, NSW Transport and Infrastructure, indicated that '84 percent of people who operate a taxi work it with one plate, another 12 percent have two plates, and that represents about 60 percent of the taxis out there'.<sup>26</sup>

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<sup>21</sup> *Passenger Transport Act 1990*, s 32(1)

<sup>22</sup> Independent Pricing and Regulatory Tribunal (IPART), *2009 Review of Taxi Fares in NSW*, p 55

<sup>23</sup> NSW Transport and Infrastructure, *What the reforms mean for existing licence holders* <<http://www.transport.nsw.gov.au/taxireform/#5>> (accessed 13 May 2010)

<sup>24</sup> *Passenger Transport Act 1990* s 32B

<sup>25</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 6

<sup>26</sup> Mr Les Wieling, Director General, NSW Transport and Infrastructure, Evidence, 2 February 2010, p 21

- 2.18** NSW Transport and Infrastructure advised that as at February 2010, ownership data shows that:
- 3,803 licence owners own one licence (83 per cent of all owners)
  - 485 licence owners own two licences (11 per cent of all owners)
  - three licence owners own 10 licences each
  - two licence owners hold 20 licences each
  - one owner owns 318 licences.<sup>27</sup>
- 2.19** Appendix 5 outlines in detail the number of licence owners, by the number of licences owned.
- 2.20** NSW Transport and Infrastructure issues taxi licences, with the conditions of each licence specified in a related conditions document. Some licences are unrestricted, meaning that the taxi can undertake all types of taxi work within a specified area of operation. Other licences are restricted to certain times of operation or other specific purposes.<sup>28</sup>
- 2.21** The Independent Pricing and Regulatory Tribunal (IPART) estimates that in March 2009 a Sydney taxi licence plate was valued at approximately \$366,000. The value of a country plate will depend on its area of operation and can be valued at between \$15,000 to over \$600,000.<sup>29</sup> For example, Mr Reginald Cockburn, owner-operator Newcastle Taxis, advised that taxi plates in Newcastle were selling for approximately \$220,000.<sup>30</sup>
- 2.22** Mr Cockburn also explained that his plate 'is registered only as a Newcastle district taxi. I cannot pick up a customer outside those district boundaries'.<sup>31</sup> Mr Lawrence Stewart, Director, Southern Highlands Taxi Service told the Committee that his taxi plates 'are specific to Wingecarribee shire'.<sup>32</sup>
- 2.23** Area restrictions allow the taxi operator to pick up out of the designated area provided they are dropping off the passenger within the designated area of operation. Additionally, the taxi may drop off out of the area, as long as the passenger was picked up within the permitted area of operation.

<sup>27</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 3

<sup>28</sup> Deloitte Touche Tohmatsu, *Administration of the 'Nexus Scheme' Final Report February 2007* <[www.transport.nsw.gov.au/sites/default/file/taxireform/Deloitte-Report-Nexus-Taxi-Scheme.pdf](http://www.transport.nsw.gov.au/sites/default/file/taxireform/Deloitte-Report-Nexus-Taxi-Scheme.pdf)> (accessed 17 February 2010)

<sup>29</sup> IPART, *2009 Review of Taxi Fares in NSW*, p 55

<sup>30</sup> Mr Reginald Cockburn, owner-operator, Newcastle Taxis, Evidence, 4 February 2010, p 20

<sup>31</sup> Mr Cockburn, Evidence, 4 February 2010, p 20

<sup>32</sup> Mr Lawrence Stewart, Director Southern Highlands Taxi Service, Evidence, 4 February 2010, p 47

**2.24** Approximately 80 per cent of all taxi licences are located in the greater Sydney area. Table 2.1 illustrates the number of licences on issue as at 31 December 2008.

**Table 2.1 Licences on issue as at 31 December 2008<sup>33</sup>**

	Total licenced taxis	Time restricted taxis	Wheelchair Accessible Taxis (WATS)	Leased taxis <sup>34</sup>
Sydney	5,174	269	479	4,288
Newcastle	162	1	10	54
Wollongong	134	0	9	76
Country	1,026	0	190	315
NSW Total	6,496	270	688	4,733

**2.25** Additional licences have since been issued, which brings the total number of licences issued in NSW to 6,559 in February 2010.<sup>35</sup>

### Taxi operators

**2.26** Many licences owners do not operate a taxi themselves but instead lease their licence to an accredited taxi operator, who acts as a business manager.<sup>36</sup> Mr Wielinga advised that there are 5,408 accredited operators in NSW.<sup>37</sup> This includes both active operators, of which there are 3,430, and non-active operators who still hold an accreditation but are not currently operating a taxi.

**2.27** Operators control anywhere from one taxi to more than 100 taxis each, with approximately 2,909 taxi operators controlling one taxi only.<sup>38</sup> Appendix 6 outlines the number of operators, by number of licences operated.

**2.28** NSW Transport and Infrastructure has an accreditation system in place to assess whether a person is of suitable character and fitness and has the competency to operate a public passenger service. A person or corporation wishing to be accredited to operate a taxi service must be of good repute and fit and proper. In addition, the person or corporation must be able to meet the requirements in respect of financial viability, safety of drivers, passengers and the public, and vehicle maintenance.<sup>39</sup>

<sup>33</sup> IPART, *2009 Review of Taxi Fares in NSW*, p 55

<sup>34</sup> Leased taxis are a subset of total licensed taxis

<sup>35</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 5

<sup>36</sup> IPART, *2009 Review of Taxi Fares in NSW*, p 55

<sup>37</sup> Mr Wielinga, Evidence, 2 February 2010, p 21

<sup>38</sup> IPART, *2009 Review of Taxi Fares in NSW*, p 56

<sup>39</sup> NSW Transport and Infrastructure, *Taxi Operator Accreditation, Standards for granting taxi operator accreditation*

**2.29** An applicant seeking accreditation must successfully complete the taxi operator training course conducted by the NSW Taxi Council.<sup>40</sup> Accreditation is also conditional on the taxi operator connecting the taxi service to a network booking service.<sup>41</sup>

### **Taxi networks**

**2.30** The *Passenger Transport Act 1990* requires taxi networks to be authorised by the Director General of NSW Transport and Infrastructure.<sup>42</sup> One of the primary purposes of the networks is to provide a taxi booking service. The NSW Taxi Council explained that:

Taxi networks must be authorised, provide a booking service that receives bookings and despatches bookings to taxi-cabs and, monitor and report against Network Standards in relation to: telephone answering, service delivery (pick up times), and instances of no car available.<sup>43</sup>

**2.31** Mr Wielinga further advised that NSW Transport and Infrastructure holds the networks responsible for customer service performance because '[w]hen you have an industry dominated by small business people with one or two taxis you need some way to bring them together as a group and get the customer service'.<sup>44</sup>

**2.32** The Passenger Transport (Taxi-Cab Services) Regulation 2001 specifies the conditions of authorisation to operate a taxi network, which include:

- driver safety equipment must be maintained and users of the equipment trained in its use, and alarm systems must operate efficiently and be responded to promptly
- affiliated operators must be provided with access to the network's booking service
- persons booking a wheelchair accessible taxi are advised within a reasonable time when the taxi-cab will arrive
- a lost property service must be provided.<sup>45</sup>

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<sup>40</sup> NSW Transport and Infrastructure, *Taxi-Cab Operator Accreditation Package*, September 2009, p 6

<sup>41</sup> *Passenger Transport Act 1990* s 31G

<sup>42</sup> *Passenger Transport Act 1990* s 34(3); NSW Transport and Infrastructure, *Information Package to Become an Authorised Taxi Network in the Metropolitan Transport District*

<sup>43</sup> Submission 42, p1

<sup>44</sup> Mr Wielinga, Evidence, 2 February 2010, p 21

<sup>45</sup> Passenger Transport (Taxi-Cab Services) Regulation 2001 cl 53

- 2.33** NSW Transport and Infrastructure developed and implemented common network services standards for the Sydney metropolitan, Newcastle and Wollongong transport districts and the local government areas of Gosford and Wyong in May 2008.<sup>46</sup> In 1993, interim performance standards were developed for regional and rural areas, and these interim standards remain in operation.<sup>47</sup> Network performance standards are discussed in Chapter 9.
- 2.34** There are 99 authorised networks across NSW,<sup>48</sup> with 12 of these taxi networks operating in Sydney.<sup>49</sup> Taxi networks are able to own taxi plates directly, with the numbers of licences owned by the networks varying between 12 and 310.<sup>50</sup> NSW Transport and Infrastructure advised that, in total, Sydney taxi networks own 649 licences or 12 per cent of the taxi fleet.<sup>51</sup>
- 2.35** Table 2.2 details the number of taxis attached to each of the Sydney networks.

**Table 2.2 Number of taxis attached to each Sydney network<sup>52</sup>**

Network	Standard	Wheelchair Accessible	Premium	Total Taxis
Taxi Combined Services	1,784	146	0	1,930
Premier	769	77	101	947
Silver Service	0	51	883	934
Legion	454	54	17	525
St George	152	12	42	206
Manly	148	19	0	167
RSL	140	4	11	155
South Western	90	6	0	96
ABC	76	2	0	78
Lime (MACT)	11	56	0	67
Yellow Cab	0	47	0	47
<b>Total</b>				<b>5,152</b>

<sup>46</sup> Ministry of Transport, *Guide for Authorised Taxi-cab Network Providers and Taxi-cab Network Standards for the Sydney Metropolitan, Newcastle and Wollongong Transport Districts and the Local Government areas of Gosford and Wyong*, May 2008

<sup>47</sup> NSW Department of Transport, *Interim Standards for Authorised Taxi-Cab Networks for Networks in Country Areas*, February 1993

<sup>48</sup> Mr Wielinga, Evidence, 2 February 2010, p 21

<sup>49</sup> IPART, *2009 Review of Taxi Fares in NSW*, p 57

<sup>50</sup> IPART, *2009 Review of Taxi Fares in NSW*, p 57

<sup>51</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 3

<sup>52</sup> IPART, *2009 Review of Taxi Fares in NSW*, p 57

2.36 The role of the networks in the taxi industry was a significant issue throughout the Inquiry, and is further discussed in Chapter 4.

### Taxi drivers

2.37 NSW Transport and Infrastructure reports that there are 23,725 taxi drivers authorised to drive a taxi in NSW.<sup>53</sup> Some drivers may drive their own taxi, while others lease the taxi from an operator and drive it as a bailee driver.<sup>54</sup> A bailee driver is defined as ‘a driver who hires the taxi from the owner (the bailor) for a shift’.<sup>55</sup>

2.38 The conditions attached to this arrangement, termed a ‘bailment’, are provided for in the Taxi Industry (Contract Drivers) Contract Determination 1984 (the Determination). However, the Determination only applies to permanent bailee drivers within the Sydney metropolitan transport district.<sup>56</sup> A permanent bailee driver is defined as a driver who regularly bails a taxi from the same bailor for five shifts per week, or at least 220 night shifts per year.<sup>57</sup>

2.39 In accordance with the Determination, a metropolitan bailee driver can select from two payment methods:

- **Method 1 Commission payment** – a first year permanent driver is entitled to 45 percent of all chargeable fares taken, including Goods and Services Tax (GST). This increases to 50 percent for drivers who have more than a year of experience. Casual drivers are also paid 50 percent of chargeable fares.
- **Method 2 Set pay-in** – a bailee pays the bailor a fixed amount at the end of each shift, pays for fuel and cleaning costs, and retains all of the chargeable fares.

2.40 The NSW Industrial Relations Commission sets the maximum lease fee or ‘pay-in’ paid by the driver to the taxi operator. The current pay-in per shift ranges from \$160 to \$244. The variation in cost is based on both the day of the week and the time of the shift (night or day).<sup>58</sup> The issue of driver earnings and entitlements is discussed in Chapter 10.

2.41 As the Determination only applies to permanent bailee drivers in the Sydney metropolitan area, country operators tend to use a commission based payment method for drivers. The operator is responsible for all running costs, including fuel and cleaning and will split any takings with the driver.

<sup>53</sup> Mr Wielinga, Evidence, 2 February 2010, p 21

<sup>54</sup> IPART, *2009 Review of Taxi Fares in NSW*, p 57

<sup>55</sup> Office of Industrial Relations, *Taxi Industry A guide for bailees and bailors, September 2009* <[www.industrialrelations.nsw.gov.au](http://www.industrialrelations.nsw.gov.au)> (accessed 11 February 2010)

<sup>56</sup> Office of Industrial Relations, *Taxi Industry A guide for bailees and bailors, September 2009* <[www.industrialrelations.nsw.gov.au](http://www.industrialrelations.nsw.gov.au)> (accessed 16 February 2010)

<sup>57</sup> Submission 45 - Appendix B, p 1

<sup>58</sup> Office of Industrial Relations Award Enquiry Service, *Taxi Industry (Contract Drivers) Contract Determination 1984, effective 15 July 2009* <[www.industrialrelations.nsw.gov.au](http://www.industrialrelations.nsw.gov.au)> (accessed 17 February 2010)

2.42 Table 2.3 outlines the maximum pay-ins as outlined in the Determination.

**Table 2.3 NSW taxi industry pay-in rates as at July 2009<sup>59</sup>**

Shift	Maximum pay-ins
All day shifts	\$160.03
Night shifts	
Monday	\$173.63
Tuesday	\$176.64
Wednesday	\$190.47
Thursday	\$214.90
Friday	\$243.74
Saturday	\$243.74
Sunday	\$188.95

### Passengers

2.43 IPART estimates that Sydney residents undertake the vast majority of taxi trips in NSW, with residents making around 45 million taxi trips per year.<sup>60</sup> However, the Committee notes IPART's concerns about the lack of reliable industry data:

There is no single set of reliable taxi usage or driver revenue data on which to base analyses. Similarly there is no comprehensive data on passenger demand for services or data that describes the travel patterns of passengers or describes an average taxi trip.<sup>61</sup>

2.44 The issue of data collection is discussed in Chapters 7 and 9.

2.45 NSW Transport and Infrastructure details a passenger's rights and responsibilities, including:

- deciding on the route
- seeing the taxi meter
- refusing a multiple hiring
- having the air conditioning on, and
- seeing the driver's photo identity card.<sup>62</sup>

<sup>59</sup> Answers to questions on notice taken during evidence 3 February 2010, Ms Jenny Roberts, General Manager, Lime Taxis, p 5

<sup>60</sup> IPART, *2009 Review of Taxi Fares in NSW*, p 15

<sup>61</sup> Submission 38, IPART, p 1

<sup>62</sup> NSW Transport and Infrastructure, *Rights and Responsibilities of Taxi Passengers* <[www.transport.nsw.gov.au/taxi/guide.html](http://www.transport.nsw.gov.au/taxi/guide.html)> (accessed 9 February 2010)

**2.46** In addition, a passenger should be able to travel in a taxi that is smoke free, clean, tidy and well maintained. A passenger's responsibilities include paying the correct fare, wearing a seat belt, not acting offensively and not asking a driver to stop illegally or unsafely.<sup>63</sup>

## Other industry participants

### NSW Transport and Infrastructure

**2.47** NSW Transport and Infrastructure regulates the taxi industry to ensure effective, safe and reliable taxi passenger services throughout NSW.<sup>64</sup> This regulatory role is achieved by:

- licensing taxis, for the purpose of imposing conditions and requirements on the operation of the taxi and to protect public safety
- authorising taxi drivers, to ensure that the driver is of good character, has appropriate levels of local geographic knowledge of the area in which they will be driving, and is competent in communicating with passengers
- accrediting taxi operators, to ensure that those running taxi services are of good character and meet appropriate safety, financial viability and other standards
- authorising taxi networks, to ensure that the network has the capacity to meet appropriate requirements including financial viability, providing a taxi cab booking service, and meeting service performance standards.<sup>65</sup>

**2.48** NSW Transport and Infrastructure may vary, suspend or cancel a taxi licence for various reasons such as failure to comply with the terms and conditions of the licence or conducting the taxi service in a manner that is dangerous to the public.<sup>66</sup> In addition, NSW Transport and Infrastructure may vary, suspend or cancel the authority to operate a taxi network,<sup>67</sup> a taxi operator's accreditation,<sup>68</sup> and a taxi driver's authority.<sup>69</sup>

**2.49** NSW Transport and Infrastructure also approves annual changes to taxi fares based on recommendations from IPART.

<sup>63</sup> NSW Transport and Infrastructure, *Rights and Responsibilities of Taxi Passengers* <[www.transport.nsw.gov.au/taxi/guide.html](http://www.transport.nsw.gov.au/taxi/guide.html)> (accessed 9 February 2010)

<sup>64</sup> Submission 45, p 1

<sup>65</sup> Submission 45, pp 1-2

<sup>66</sup> *Passenger Transport Act 1990* s 32G

<sup>67</sup> *Passenger Transport Act 1990* s 34F

<sup>68</sup> *Passenger Transport Act 1990* s 31F

<sup>69</sup> *Passenger Transport Act 1990* s 33F

### Independent Pricing and Regulatory Tribunal

- 2.50** IPART annually reviews fares for taxi services and recommends to the Minister for Transport 'how much maximum fares should increase (or decrease) compared to the previous years'.<sup>70</sup>
- 2.51** IPART assesses how the costs of providing taxi services have changed over the previous year by applying a measure known as the Taxi Cost Index (TCI). The TCI consists of a selection of taxi cost items and includes fuel, labour, maintenance and insurance costs.<sup>71</sup>
- 2.52** To further inform its decision-making process, IPART seeks submissions from relevant stakeholders and the wider community. IPART then recommends adjustments to the following charges:
- flagfall
  - distance charges
  - night-time and public holiday surcharges
  - waiting time rate
  - booking fees, and
  - surcharge for maxi cabs.<sup>72</sup>
- 2.53** In conducting the 2009 review, IPART found that over the previous 12 months, the cost of providing taxi services in urban areas had increased by 4.2 percent, and 4.1 percent in country areas.<sup>73</sup> Subsequently, IPART recommended that fares in urban and country areas increase by the equivalent amount.<sup>74</sup>
- 2.54** Tables 2.4 and 2.5 specify maximum taxi fares and charges in NSW in both urban and country areas, with effect from 5 July 2009.<sup>75</sup>

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<sup>70</sup> Submission 38, p 1

<sup>71</sup> IPART, *2009 Review of Taxi Fares in NSW*, p 4

<sup>72</sup> *Independent Pricing and Regulatory Tribunal NSW*, Information Paper 2009 Review of Taxi Fares March 2009, p 1 <[www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)> (accessed 17 February 2010)

<sup>73</sup> Independent Pricing and Regulatory Tribunal NSW, *2009 Review of Taxi Fares in NSW*, p 9

<sup>74</sup> Independent Pricing and Regulatory Tribunal NSW, *2009 Review of Taxi Fares in NSW*, p 1

<sup>75</sup> NSW Transport and Infrastructure, *Maximum Taxi Fares and Charges* <[www.transport.nsw.gov.au/taxi/fares.html](http://www.transport.nsw.gov.au/taxi/fares.html)> (accessed 16 February 2010)

**Table 2.4 Maximum Taxi Fares and Charges – Urban areas (July 2009)<sup>76</sup>**

Item	Fare
Flag Fall	\$3.20
Distance Rate	\$1.93 per kilometre
Night-time Surcharge	A surcharge of 20% of the Distance rate in respect of a journey commencing between 10pm and 6pm daily
Booking Fee	\$2.10
Waiting Time	\$50.00 per hour (83c per minute) while vehicle speed is less than 26 km/h
Tolls	All road, bridge, ferry, tunnel and airport tolls that apply to the journey and the return toll for a northbound journey over the Sydney Harbour Bridge or through the Sydney Harbour Tunnel (at the time of crossing)

**Table 2.5 Maximum Taxi Fares and Charges – Country areas (July 2009)<sup>77</sup>**

Item	Fare
Flag Fall	\$3.70
Distance Rate	Tariff 1 - \$1.98 per kilometre, for the first 12 km Tariff 2 - \$2.76 per kilometre, in excess of 12 km
Night-time Surcharge	A surcharge of 20% the Distance Rate in respect of a journey commencing between 10pm and 6pm daily
Holiday Surcharge	A surcharge of 20% of the Distance Rate in respect of a journey commencing between 6 am and 10 pm on a Sunday, or a public holiday notified in the NSW Government Gazette
Booking Fee	\$1.10
Waiting Time	\$51.02 per hour (85c per minute) while vehicle speed is less than 26 km/h
Tolls	All road, bridge, ferry, tunnel and airport tolls that apply to the journey and the return toll for a northbound journey over the Sydney Harbour Bridge or through the Sydney Harbour Tunnel (at the time of crossing)

<sup>76</sup> Urban areas are specified as: Sydney, Newcastle, and Wollongong Transport Districts, Blue Mountains, Gosford, Wyong and Shellharbour Local Government areas, and Cams Wharf, Fern Bay, Minmi, Toronto, Williamtown, Medowie, Campvale, Ferodale, Raymond Terrace, Fassifern, Hexham, Maitland, Beresfield, Fullerton Cove, Tomago, Camden, Picton, Thirlmere, Tahmoor and Bargo

<sup>77</sup> Country areas are specified as: all areas of New South Wales except for those identified as urban areas in Table 2.3 and the towns Moama, Barham, Tocumwal, Mulwala, Barooga and Deniliquin

### Industrial Relations Commission of New South Wales

- 2.55** The Industrial Relations Commission of New South Wales (IRC) sets conditions and pay-ins for taxi drivers operating in the Sydney metropolitan area by varying the Taxi Industry (Contract Drivers) Contract Determination 1984 (the Determination).<sup>78</sup>
- 2.56** Historically, the IRC has used the annual IPART review of taxi fares to vary the Determination and fix the maximum pay-in amount.<sup>79</sup> IPART noted this in its 2008 Review of Taxi Fares:
- ...the Industrial Relations Commission has used the information about taxi industry costs that IPART publishes as part of its fare recommendation to set maximum 'pay-ins' that bailee drivers make to operators, and these play an important role in distributing fare revenue between drivers and operators. For this reason, IPART has attempted to clearly separate which costs are attributed to drivers and which to operators.<sup>80</sup>
- 2.57** Most recently, the IRC increased the pay-in by the equivalent percentage increase to taxi fares, approved by NSW Transport and Infrastructure on 5 July 2009.<sup>81</sup>

### Roads and Traffic Authority

- 2.58** The Roads and Traffic Authority (RTA) has the primary responsibility to test and licence drivers, and to register and inspect vehicles.<sup>82</sup>
- 2.59** The RTA authorises persons to conduct inspections and tests of registrable light vehicles.<sup>83</sup> These authorised persons can apply to NSW Transport and Infrastructure to operate an authorised taxi inspection service (ATIS). There are currently 23 ATIS in the Sydney, Newcastle and Wollongong metropolitan areas, and 80 ATIS across regional and rural NSW.<sup>84</sup>
- 2.60** Appointments to operate an ATIS are for a maximum of five years, with the performance of each ATIS monitored on an ongoing basis. If, at the end of five years, the ATIS reapplies for appointment, all qualifications are rechecked.<sup>85</sup>

<sup>78</sup> Taxi Industry (Contract Drivers) Contract Determination 1984 [2001] NSWIRComm, *Application by NSW Taxi Industry Association and TWU NSW Branch for variation re monetary rates*

<sup>79</sup> Industrial Relations Commission of New South Wales, *Judgement: Matter No. IRC06/2904, Application by the New South Wales Taxi Industry Association for variation of a contract determination pursuant to section 311 of the Industrial Relations Act 1996, Decision (ex tempore) 2006*, NSWIRComm 262, 14 August 2006

<sup>80</sup> IPART, *2008 Review of Taxi Fares in NSW*, p 17

<sup>81</sup> Industrial Relations Commission of New South Wales, *Taxi Industry (Contract Drivers) Contract Determination (2009)* NSWIRComm 1037

<sup>82</sup> Roads and Traffic Authority, *Annual Report 2009*

<sup>83</sup> NSW Transport and Infrastructure, *Authorised Taxi-cab Inspection Stations* <[www.transport.nsw.gov.au/taxis/atis.html](http://www.transport.nsw.gov.au/taxis/atis.html)> (accessed 17 February 2010)

<sup>84</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 5

<sup>85</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 4

- 2.61** An ATIS compliance check is required for the annual registration of a taxi, upon plate transfer and for regular vehicle inspections, which are conducted every:
- 4 months for taxis in Sydney, Newcastle and Wollongong
  - 6 months in country areas, except for the Western Division
  - 12 months in the Western Division.<sup>86</sup>
- 2.62** In addition, the RTA contributes to the approval process for the operation of wheelchair accessible taxis (WATs) by ensuring that the vehicle is compliant with the Disability Standards for Accessible Public Transport (DSAPT) and the NSW Transport and Infrastructure WAT Measurement Protocol.
- 2.63** The RTA has outsourced the inspection of WATs to authorised individuals whose role is to certify that the vehicle complies with the latest version of the NSW Transport and Infrastructure WAT Measurement Protocol and the DSAPT.<sup>87</sup>
- 2.64** NSW Transport and Infrastructure does not allow taxi licences to be inactive, requiring that a licence must be attached to an operating taxi. However, a taxi licence owner may apply to NSW Transport and Infrastructure for a taxi licence to be put ‘on hold’, meaning that the vehicle plates are returned to the RTA to be held in storage. In 2005, there were 136 licences ‘on hold’ in the Sydney metropolitan area, one licence ‘on hold’ in Newcastle and 37 ‘on hold’ in country NSW.<sup>88</sup>

### Industry associations

- 2.65** There are several industry associations representing different sectors of the NSW taxi industry. The **NSW Taxi Council** described its role as the ‘operational body’ for its membership, which comprises ‘all the directors of the New South Wales Taxi Industry Association, representatives of the New South Wales Country Taxi Operators Association, along with all the taxi networks in Sydney, Wollongong, Newcastle and the Central Coast’.<sup>89</sup>
- 2.66** The NSW Taxi Council is also the registered industrial organisation with the NSW Industrial Relations Commission to represent bailor taxi operators.<sup>90</sup>
- 2.67** The **NSW Taxi Industry Association** is a registered association of employing contractors, representing more than 4300 owners and operators of taxis.<sup>91</sup> The **NSW Country Taxi**

<sup>86</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 4

<sup>87</sup> NSW Transport and Infrastructure, *Wheelchair Accessible Taxi Short Term Licence* <[www.transport.nsw.gov.au/taxi/licences.html](http://www.transport.nsw.gov.au/taxi/licences.html)> (accessed 17 February 2010)

<sup>88</sup> Hawkless Consulting 2005, *National Competition Policy Review: Passenger Transport Act 1990 Par 4: Taxi Cabs 23 June 2005*, p 12

<sup>89</sup> Submission 42, p 7

<sup>90</sup> Mr Ramshaw, Evidence, 2 February 2010, p 2

<sup>91</sup> Submission 42, p 7

**Operators' Association** represents members who own and operate taxis in the non-urban parts of NSW.<sup>92</sup>

2.68 The NSW Branch of the **Transport Workers Union** (TWU) is the official trade union for bailees/employees in the taxi industry of NSW.<sup>93</sup> The TWU is industrially recognised as the representative of taxi drivers in proceedings before the IRC to vary the Taxi Industry (Contract Drivers) Contract Determination 1984, or in representing taxi drivers during dispute and unfair dismissal proceedings.<sup>94</sup>

2.69 There are also a number of alternate associations that represent taxi drivers:

- **NSW Taxi Drivers Association** whose membership is open to all bailee, lessee and owner drivers in NSW<sup>95</sup>
- **Taxi Industry Council of Australia** whose membership is comprised of state organisations that represent taxi drivers. There are currently no representative bodies in NSW affiliated with the Taxi Industry Council, which has resulted in individual memberships only<sup>96</sup>
- **Australian Taxi Drivers Association**, predominantly operating in NSW, and whose membership is comprised of individual taxi drivers. In December 2009, the Association had 437 recorded members.<sup>97</sup>

## Reports and reviews of the NSW taxi industry

2.70 There have been a number of reviews of the NSW taxi industry over the last decade. However, several Inquiry participants have highlighted the delays in making the findings of several of these inquiries publicly available.<sup>98</sup> The Committee notes that several of these reports were made available on the NSW Transport and Infrastructure website during the period when the Committee was conducting its public hearings in early 2010.<sup>99</sup>

### Industry review

2.71 The taxi industry was the subject of a ministerial inquiry in 2004, which resulted in the establishment of the Taxi Taskforce. The Taskforce, chaired by Mr Allan Cook, issued the *Taxi Industry Inquiry – Interim Report* in September 2004, which was followed by the

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<sup>92</sup> Submission 42, p 7

<sup>93</sup> Submission 41, Transport Workers Union, p 1

<sup>94</sup> <[www.lawlink.nsw.gov.au/ircjudgements](http://www.lawlink.nsw.gov.au/ircjudgements)> (accessed 17 February 2010)

<sup>95</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 36

<sup>96</sup> Mr Graeme Cameron, President Elect, Taxi Industry Council of Australia, Evidence, 2 February 2010, p 72

<sup>97</sup> Mr Michael Jools, President Australian Taxi Drivers Association, Evidence, 3 February 2010, p 23

<sup>98</sup> Submission 3, NSW Ombudsman, p 2; Mr Johnston, Evidence, 4 February 2010, p 39

<sup>99</sup> <[www.transport.nsw.gov.au/taxi/reports.html](http://www.transport.nsw.gov.au/taxi/reports.html)> (accessed 25 February 2010)

*Taxi Taskforce Report December 2005.* The Taxi Taskforce made significant recommendations, including:

- updating the 1993 interim network standards for regional and rural areas
- establishing a new advisory body to replace the Taxi Advisory Committee, and the formation of two sub-committees with driver representation to examine issues relating to driver training and safety, and wheelchair accessible taxi services
- allowing a surcharge for premium services
- creating a ‘seniority register’ to provide a career path for drivers.<sup>100</sup>

2.72 NSW Transport and Infrastructure has implemented, or is implementing, a number of these recommendations, including:

- performance standards for Sydney, Newcastle, Wollongong and the Central Coast were introduced in 2008, with aggregated network performance data published quarterly.
- creation of a new taxi industry advisory body
- continued monitoring of the need to introduce premium fares
- changes to taxi licensing arrangements to assist taxi drivers in owning a taxi licence.<sup>101</sup>

### Taxi licensing

2.73 NSW Transport and Infrastructure and its predecessors have commissioned several reports in relation to taxi licences in the past two decades. In 1993, the Department of Transport commissioned Arthur Andersen to develop *A discussion paper on short-term taxi and hire car licence plates – policy for setting prices*.<sup>102</sup> Various options for the issue of licences were assessed and the benefits and disadvantages of each were discussed, including the release of a small number of licences to the market using a tender system.

2.74 In 1998, IPART commenced a review of the regulation of the taxi and hire industries, including consideration of any restrictions to competition imposed by legislation, existing policies and industry practices.<sup>103</sup> IPART issued the report *Review of the Taxi Cab and Hire Car Industries* in 1999 and noted the benefits of regulating the quality of taxi and hire car services. IPART could not, however, discern any benefits from restricting the number of taxi licences and recommended that Sydney taxi licence numbers increase by five percent each

<sup>100</sup> NSW Ministry of Transport, *Taxi Taskforce Report December 2005*, pp 3-4

<sup>101</sup> NSW Transport and Infrastructure, *Review of the Taxi Industry/Taxi Taskforce* <[www.transport.nsw.gov.au/taxi/reports.html](http://www.transport.nsw.gov.au/taxi/reports.html)> (accessed 17 March 2010)

<sup>102</sup> NSW Transport and Infrastructure, *Discussion paper Short-term Taxi and Hire Car Licence Plates: Policy for setting prices, 1993, prepared by Arthur Andersen*, [www.transport.nsw.gov.au/taxi/reports.html](http://www.transport.nsw.gov.au/taxi/reports.html) (accessed 2 March 2010)

<sup>103</sup> IPART, *Review of the Taxi Cab and Hire Car Industries*, Final Report, 24 November 1999, p 1

year for a period of five years.<sup>104</sup> Despite this recommendation, Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney estimated that the actual growth achieved in the number of taxi licences has been approximately 1 per cent per annum.<sup>105</sup>

- 2.75** In 2005, the NSW Ministry of Transport commissioned the *National Competition Policy Review Passenger Transport Act 1990 Part 4: Taxi Cabs* following a National Competition Council (NCC) finding that provisions of the *Passenger Transport Act 1990* were inconsistent with National Competition Policy principles.<sup>106</sup> The review found that licence prices presented a barrier to entry into the taxi industry. However, other controls imposed on market entry, and performance standards were justified because of the benefits to safety and client services.
- 2.76** As a consequence of this review, the NSW Ministry of Transport engaged Pricewaterhouse Coopers to conduct an analysis of the benefits and cost of various reform options. The report, *Benefit/Cost Assessment of Options for Reform of Taxi Licensing* was issued in September 2005 and contained two options for reform. NSW Transport and Infrastructure used the information from this report to inform the 2009 reforms to taxi licensing.<sup>107</sup>
- 2.77** The issue and administration of Nexus licences was the subject of a report commissioned by the then Ministry of Transport in 2005. Deloitte Touche Tohmatsu completed an initial report *Administration of the Nexus Scheme* in February 2007. This report was subsequently updated in 2009, and both reports were made publicly available in August 2009. The initial review was undertaken in response to the recommendation of the Interim Report of the Review of the Taxi Industry in NSW (2004) that the Nexus plates be referred to an independent body for review of the probity of the issue, variation and transfer of the licences.<sup>108</sup>
- 2.78** The Deloitte Touche Tohmatsu review determined that there was no evidence of corruption or deliberate misconduct by the Ministry of Transport or its predecessors in the administration of nexus licences.<sup>109</sup> The operational status of the Nexus licences was clarified by the *Passenger Transport Amendment (Taxi Licensing) Act 2009*.

### Wheelchair accessible taxi services

- 2.79** The Minister for Transport Services established a taskforce in 2004 to conduct an assessment of wheelchair accessible taxi (WAT) services. The *Wheelchair Accessible Taxi Taskforce Interim Brief to the Minister for Transport Services* was released in September 2004, and

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<sup>104</sup> IPART, *Review of the Taxi Cab and Hire Car Industries*, Final Report, 24 November 1999, p 1

<sup>105</sup> Submission 30, Appendix A, Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, *Economic Evaluation of Taxi Industry Reform in Sydney*, January 2010, p 8

<sup>106</sup> NSW Transport and Infrastructure, *Taxi Reports* <[www.transport.nsw.gov.au/taxi/reports.html](http://www.transport.nsw.gov.au/taxi/reports.html)> (accessed 17 March 2010)

<sup>107</sup> NSW Transport and Infrastructure, *Taxi Reports* <[www.transport.nsw.gov.au/taxi/reports.html](http://www.transport.nsw.gov.au/taxi/reports.html)> (accessed 17 March 2010)

<sup>108</sup> Ministry of Transport, *Taxi Industry Inquiry Interim Report* September 2004, p 10

<sup>109</sup> Deloitte Touche Tohmatsu, *Administration of the Nexus Scheme - Final Report*, February 2007, p 26

included a profile of WAT services, incentives for WAT operators, and issues faced by drivers and passengers.<sup>110</sup>

- 2.80 Two further reports were initiated as a result of the Interim Brief. In August 2005 Professor Ross Fitzgerald provided his *Report to the Wheelchair Accessible Taxi Taskforce*, which was followed by the *Wheelchair Accessible Taxi Taskforce Taskforce Report* in November 2005.
- 2.81 The reports recommended a range of initiatives to improve WAT numbers and service levels, including establishing service levels, introducing a WAT driver incentive payment, using **Global Positioning Systems (GPS)** and improving driver training.<sup>111</sup>

### Rural taxi industry

- 2.82 The 1998 IPART review of the taxi and hire car industries was considered to have concentrated heavily on the Sydney taxi industry. The Minister for Transport instigated a review of the rural taxi industry in NSW to facilitate a better understanding of rural and regional issues.
- 2.83 In 2001, *A discussion paper on the rural taxi industry in New South Wales* was issued. The paper presented an overview of the rural industry and highlighted the differences between the rural and metropolitan taxi industries. The relationship between the taxi industry and other transport providers was also discussed. A number of options for reform were proposed, including:
- facilitation by local councils of Public Transport Consultative Committees to develop integrated transport provision in rural NSW
  - regulation of community transport and courtesy bus services
  - undertaking a baseline study to improve the availability of information and determine the extent of the supply of, and demand for, taxis in rural NSW.
  - develop a framework for the management and supply of rural taxi licences that ensures consistency and equity.<sup>112</sup>

### Driver safety

- 2.84 *A Report on Taxi Driver Safety for the NSW Department of Transport* was issued in December 1995. The report indicated that violence against taxi drivers was prevalent, and made recommendations including the introduction of safety screens, surveillance cameras, GPS and duress alarms in all taxis.<sup>113</sup>

<sup>110</sup> Ministry of Transport, *Wheelchair Accessible Taxi Taskforce Interim Brief to the Minister for Transport Services*, p 2

<sup>111</sup> Ministry of Transport, *Wheelchair Accessible Taxi Taskforce – Final Report* <[www.transport.nsw.gov.au/taxi/reports.html](http://www.transport.nsw.gov.au/taxi/reports.html)> (accessed 17 March 2010)

<sup>112</sup> Department of Transport, *A discussion paper on the rural taxi industry in New South Wales*, May 2001

<sup>113</sup> Keatsdale Pty Ltd, *A Report on Taxi Driver Safety for the NSW Department of Transport*, December 2005

- 2.85** The *Taxi Industry Safety and Security Taskforce*, chaired by Mr David Madden, was formed in response to a number of assaults on taxi drivers during 2006. The Taskforce was requested to assess the risks faced by taxi drivers, research and review existing safety initiatives, and to develop new strategies to ensure the safety and security of taxi drivers.<sup>114</sup>
- 2.86** The Taskforce issued its final report in December 2007 and made a number of recommendations including:
- review of the driver training curriculum
  - better enforcement of penalties for taxi-related crimes such as fare evasion, and improving relations between the taxi industry and the NSW Police
  - improvement of safety technology and equipment in taxis, and the introduction of secure ranks
  - a community awareness campaign to improve knowledge of the taxi industry and safety initiatives
  - engaging a standing advisory body, including representatives from the government and the taxi industry, to ensure the ongoing evaluation and improvement of safety and security initiatives.<sup>115</sup>
- 2.87** The NSW Government has adopted many of the Taskforce's recommendations, including:
- providing financial assistance to accredited taxi operators to contribute to the cost of installing door locking technology
  - employing security guards on Friday and Saturday nights at secure taxi ranks across NSW
  - establishing Taxi Safety Watch to monitor criminal incidents in taxis or at taxi ranks and provide quarterly reports.<sup>116</sup>

### NSW Taxi Transport Subsidy Scheme

- 2.88** The Taxi Transport Subsidy Scheme (TTSS) was introduced in 1981 to subsidise taxi travel for people with disability in NSW. The *NSW Ministry of Transport Review Report NSW Taxi Transport Subsidy Scheme May 2006* made recommendations to improve planning and administration of the TTSS.<sup>117</sup> The most significant recommendation was for the implementation of a 'Smart Card' to replace the existing paper voucher system.<sup>118</sup>

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<sup>114</sup> Ministry for Transport, *Taxi Industry Safety and Security Taskforce - Final Report*, December 2007, p 3

<sup>115</sup> Ministry for Transport, *Taxi Industry Safety and Security Taskforce - Final Report*, December 2007, pp 5-7

<sup>116</sup> NSW Transport and Infrastructure, *Taxi and Hire Car Safety*  
<[www.transport.nsw.gov.au/taxi/safety.html](http://www.transport.nsw.gov.au/taxi/safety.html)> (accessed 17 March 2010)

<sup>117</sup> Ministry of Transport, *New South Wales Taxi Transport Subsidy Scheme - Review Report*, May 2006, p 4

<sup>118</sup> Ministry of Transport, *New South Wales Taxi Transport Subsidy Scheme - Review Report*, May 2006, p 6

- 2.89** The NSW Government launched a procurement process in October 2008 and invited submissions from interested parties to provide an Electronics Payment Solution. Submissions were received from seven companies, with two companies – Cubic Transportation Systems (Australia) Pty Ltd and Cabcharge Australia Ltd – shortlisted to be invited to tender for the project.<sup>119</sup>
- 2.90** However, the selection of the successful tender is currently on hold due to legal proceedings in the Australian Competition and Consumer Commission.<sup>120</sup>

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<sup>119</sup> NSW Transport and Infrastructure, *Short listed Submissions to Electronic Payment System EOI* < <http://www.transport.nsw.gov.au/ttss/eps-eoi-short-list.html> > (accessed 13 May 2010)

<sup>120</sup> Mr Wielinga, Evidence, 2 February 2010, p 15



## Chapter 3 Availability of taxi licences

This Chapter considers terms of reference (c) and (d), by discussing the supply of taxi licences and the National Competition Policy. The Chapter examines the recently introduced processes to distribute taxi licences, and also canvasses proposals to deregulate the taxi industry, including the arguments for and against deregulation. The Chapter concludes with a discussion of New South Wales' compliance with the National Competition Policy.

### Availability of taxi licences

**3.1** The availability of taxi licences is a central concern to stakeholders in the taxi industry. NSW Transport and Infrastructure advised that although until December 2009 there were no statutory restrictions on the number of licences that could be issued under the *Passenger Transport Act 1990*, the 'cost of a new licence was higher than lease rates on the open market. As a result, the take up of new licences was not keeping up with passenger demand'.<sup>121</sup>

**3.2** The NSW Taxi Council observed that 'despite unlimited availability, relatively few unrestricted licences were purchased from the government with most of the growth in licence numbers being due to the take-up of subsidised WAT [wheelchair accessible taxi] licences'.<sup>122</sup>

**3.3** Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney noted the disparity between the take up of new licences, and passenger demand for taxi services:

... since 1990 the demand for taxi services has increased by about 90% while the number of taxis on the road has increased by only about 25%. Even assuming that there was no excess demand for taxis in 1990, this would imply a shortfall of taxis in the order of 50%.<sup>123</sup>

**3.4** This equates to 'a growth rate of barely 1% per annum'.<sup>124</sup> Dr Abelson blamed the cost of the licences for this slow rate of growth:

I do not think there is much doubt that if there was no \$400,000 purchase price or \$30,000 a year licence fee we would have considerably more taxis on the road. The licence fee is an inefficient fee. It is a wedge between somebody wishing to provide a service and somebody getting a service.<sup>125</sup>

<sup>121</sup> Submission 45, NSW Transport and Infrastructure, p 7

<sup>122</sup> Submission 42, NSW Taxi Council, pp 12-13

<sup>123</sup> Submission 30, Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, p 7

<sup>124</sup> Submission 30 - Appendix A, Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, *Economic Evaluation of Taxi Industry Reform in Sydney*, January 2010, p 8

<sup>125</sup> Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, Evidence, 3 February 2010, p 42

## Recent reforms to the taxi industry

- 3.5 In October 2009, a number of changes to the NSW taxi industry were announced, including a proposal to deregulate the industry. Following extensive consultations with industry stakeholders, the proposed reform package was changed to include a cap on the number of licences that can be issued each year.

### Proposed deregulation of the taxi industry

- 3.6 In order to increase the supply of taxis, NSW Transport and Infrastructure advised that ‘over a number of years, the NSW Government has undertaken a comprehensive assessment of the options for improving the regulation of taxi licensing arrangements with the aim of ensuring fleet growth better matches passenger demand for services’.<sup>126</sup>
- 3.7 As a consequence of this ‘comprehensive assessment’, a number of proposed reforms to the taxi industry were announced in October 2009. One the key features of the proposed changes was that there would be no cap on the number of new licences that could be issued each year, effectively deregulating the industry.<sup>127</sup>
- 3.8 The Minister for Transport stated that ‘[t]hese reforms are about getting more cabs on the road and improving customer services, with shorter waiting times, better reliability and, in the longer term, smaller fare increases’.<sup>128</sup>
- 3.9 This proposal generated a significant degree of concern in the industry.<sup>129</sup> The NSW Taxi Industry Association, the NSW Taxi Council and the Country Taxi Operators Association of NSW suggested that the proposal would severely impact on the potential earnings of existing participants in the industry:
- ... destroy the superannuation of thousands of Australians which is invested in taxi plates; will significantly diminish taxi driver earnings; and based on international experience will lead to fewer cabs on the road at critical times thus reducing customer service.<sup>130</sup>
- 3.10 The potential impact of deregulation on the taxi industry continued to be discussed throughout the Inquiry, with opinion divided as to whether or not deregulation would benefit the industry.

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<sup>126</sup> Submission 45, p 5

<sup>127</sup> NSW Transport and Infrastructure, *Taxi Licensing Changes for New South Wales*, pp 2-3 <<http://www.transport.nsw.gov.au/taxireform/?q=printme>> (accessed 23 November 2009)

<sup>128</sup> Hon D Campbell MP, Minister for Transport and Minister for the Illawarra, ‘Taxi reforms makes it easier to get a cab’, *Media Release*, 7 October 2009

<sup>129</sup> NSW Taxi Industry Association, the NSW Taxi Council and the Country Taxi Operators Association of NSW, *2009 Taxi Reform Package*, November 2009, p 7

<sup>130</sup> NSW Taxi Industry Association, the NSW Taxi Council and the Country Taxi Operators Association of NSW, *2009 Taxi Reform Package*, November 2009, p 3

### Support of deregulation

- 3.11** One submission author said that '[d]eregulating the industry to provide more competition is needed'.<sup>131</sup> A number of other Inquiry participants concurred with this view. Dr Abelson observed that:

... the government has imposed numerous regulations on the structure of the industry, on entry into it, on the services that can be supplied and on the prices that can be charged. These restrictions have a high net cost to the NSW community ... many of the regulations should be reformed. Most importantly this would include reform of the barriers to competition.<sup>132</sup>

- 3.12** The main barrier to entry identified by Dr Abelson was the price of a taxi licence: 'The MOT [Ministry of Transport] claims that anyone can enter the industry by purchasing a taxi licence ... In reality, this is entry regulated by price. Taxi operators and drivers have to pay a high price for the right to provide service'.<sup>133</sup> Dr Abelson said:

If I wished with some of my colleagues at the local tennis club to set up a taxi business and I had adequate communications and I could go to my local Toyota garage and hire a couple of Corollas and provide a good service, why should I have to pay \$800,000 to have a licence to run those two taxis? That is an impediment to competition ...<sup>134</sup>

- 3.13** Dr Abelson noted that although regulations that hinder market entry should be reformed, in some instances, regulations are necessary to achieve certain social outcomes:

The key issues are public safety, possible information failures, and environmental (externality) effects. Regulations are needed to ensure public safety for taxi drivers and customers ... Regulations may also be warranted to produce socially fair outcomes. In this context, this may be taken to mean available and affordable services. However subsidies for transport or income disadvantaged are generally a more efficient policy than price controls.<sup>135</sup>

- 3.14** In order to successfully deregulate the industry, Dr Abelson suggested that:

... there needs to be an efficient policy package. Deregulation of entry needs to be combined with deregulation of industry structure and service rules and quite likely price deregulation, but with continued regulation of basic taxi and driver standards.<sup>136</sup>

<sup>131</sup> Submission 36, Name suppressed, p 1

<sup>132</sup> Submission 30, p 8

<sup>133</sup> Submission 30, p 2

<sup>134</sup> Dr Abelson, Evidence, 3 February 2010, p 45

<sup>135</sup> Submission 30, p 5

<sup>136</sup> Submission 30 - Appendix A, pp 17-18

**3.15** Dr Abelson outlined what he thought would be the impacts of deregulation of the NSW taxi industry:

... the licence fee would fall and so would the pay-in rate for taxi drivers ... Second, if there are more taxis there will be an increase in demand for taxi drivers ... Thirdly, revenues are likely to rise as service levels rise. Reduced waiting times will increase the demand for taxis and increase both the quantity of trips and the price in peak hours (if fares are deregulated).<sup>137</sup>

**3.16** The Australian Hotels Association (AHA) also supported the deregulation of the industry, noting that previous reforms to the industry 'have always been designed to be introduced in a gradual, phased and sustainable fashion and were often more administrative in nature than practical in application'.<sup>138</sup> The AHA continued:

Because of this, past changes have had minimal impact, not offered transport improvements to the travelling public and certainly not kept up with demand. As such, AHA (NSW) believes it is now time to grasp the nettle and make some more dramatic and worthwhile changes - changes which have the majority of community and user support.<sup>139</sup>

**3.17** Dr Abelson acknowledged that deregulation would have an enormous impact on the value of taxi licences:

It is true, it [the taxi licence] could be sold currently at \$385,000 but two years ago you might have had half a million dollars on the stock market and then 18 months later it was worth half that. That is the nature of investments. These are investments that people make and they are made against the idea that policy, regulations change ...<sup>140</sup>

### **Opposition to deregulation**

**3.18** The majority of Inquiry participants were against deregulating the NSW taxi industry. The NSW Taxi Council was opposed to deregulation, explaining that:

Notwithstanding that there have been no limits on the available number of unrestricted taxi licences, studies undertaken in Australia and overseas support the regulation of entry and suppside control to achieve public policy objectives and optimise the levels of service provided by the taxi industry.<sup>141</sup>

**3.19** Mr Ramshaw expanded on the NSW Taxi Council's submission during evidence:

We [NSW Taxi Council] were never comfortable with there being an unlimited number of licences available ... unlimited availability of licences generally produces fairly disastrous outcomes. In most cases the regulators in those instances have

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<sup>137</sup> Submission 30, p 6

<sup>138</sup> Submission 39, Australian Hotels Association, p 10

<sup>139</sup> Submission 39, p 10

<sup>140</sup> Dr Abelson, Evidence, 3 February 2010, p 45

<sup>141</sup> Submission 42, p 14

reverted back to re-regulating the industry to overcome and prevent the problems that arise, mainly through an oversupply ... Oversupply of licences creates all sorts of behavioural issues: people are struggling to survive; taxidriver's incomes are significantly reduced ... it is a retrograde step in terms of overall welfare when both the costs on the industry and the benefit to customers are both taken into account.<sup>142</sup>

**3.20** Southern Highland Taxi Services said '[t]his is one industry which must be controlled and regulated'.<sup>143</sup> The NSW Taxi Council concurred, commenting that regulation of the taxi industry is essential in order to:

- provide a true public transport service
- guarantee safety and comfort
- ensure that passenger needs are met at a regulated maximum price
- ensure accountability throughout the industry.<sup>144</sup>

**3.21** The NSW Taxi Drivers Association advised that it 'does not support full taxi industry deregulation in the name of (misnamed) economic competition'.<sup>145</sup> The Association noted that:

Full deregulation has failed dismally in many parts of the world, including in the Northern Territory, New Zealand and Ireland in recent years, and is not known to have succeeded anywhere ... there is substantial and demonstrable merit in some regulations to maintain necessary and publicly demanded taxi service standards.<sup>146</sup>

**3.22** Mr Paul Fletcher also observed that deregulation has not proven successful in other taxi industries: 'In practice, throughout the world, it has proven a complete failure in every way – standards, service, viability, filling of city streets with vacant cabs – and in very many cases a trend to re-regulation and controlled entry'.<sup>147</sup>

**3.23** One submission author commented that '...both domestic and international experiences demonstrate the failure of deregulation and unlimited licence releases, resulting in productivity losses and lower earnings for drivers whilst producing no material reduction in taxi fares'.<sup>148</sup> The author noted that the Northern Territory was 'forced to re-regulate their taxi industry only after one year of failed deregulation'.<sup>149</sup>

<sup>142</sup> Mr Ramshaw, Evidence, 2 February 2010, pp 3-4

<sup>143</sup> Submission 19, Southern Highlands Taxis, p 6

<sup>144</sup> Submission 42, p 28

<sup>145</sup> Submission 46, NSW Taxi Drivers Association, p 5

<sup>146</sup> Submission 46, p 5

<sup>147</sup> Submission 44, Mr Paul Fletcher, p 2

<sup>148</sup> Submission 29, Name suppressed, p 3

<sup>149</sup> Submission 29, p 4

- 3.24** Mr Greg Sweetman, owner of two taxi licences, said that '[o]ther states and countries throughout the world have introduced changes to their taxi industries by means of deregulation and totally destroyed the service to the point they have now reversed their thinking and re-regulated'.<sup>150</sup> Mr Sweetman continued:

If an unlimited amount of taxi plates are introduced, the current licence holders will find their business running at a loss and unable to continue providing a safe reliable service to the community. The value of our small businesses will diminish to the point where there will be unprecedented numbers of bankrupts ... This especially affects those of us in country areas where we work in small networks and cooperatives that could be easily over run by one company leasing enough plates at low leasing prices to over supply our area and force us out of business.<sup>151</sup>

- 3.25** Mr Doug Brooks, owner of three taxi licences, remarked that: 'If the government was to go ahead with its changes and "flood" NSW with cheap lease plates, I believe it would reduce the earning of all drivers and owners in the area, as well as reduce the value of the taxi plates for re-sale in the future'.<sup>152</sup>

- 3.26** Mr Reginald Cockburn, owner/operator, Newcastle Taxis, also noted the potential impact of deregulation on the taxi industry, saying that:

... releasing uncapped leased plates into the Newcastle District would seriously undermine my ability to earn an income capable of providing for my current financial family needs, my monthly business loan repayments and of course as I near retirement age, my financial dignity into retirement.<sup>153</sup>

### **Passenger Transport Amendment (Taxi Licensing) Act 2009**

- 3.27** Following consultations with the taxi industry, several changes were made to the licensing reforms initially proposed by the Minister for Transport in October 2009. The most notable change was that there would be a cap on the number of licences to be released annually, with the number to be released determined by the Director General of NSW Transport and Infrastructure by 31 March each year.<sup>154</sup>

- 3.28** In addition to the annual cap on the number of licences to be released, the 2009 amendments resulted in several other changes to the way that taxi licences are issued, including that new licences will be issued by public auction or tender, and that the new annual licence can be renewed each year for up to ten years, after which the licence holder will need to apply for a new licence.<sup>155</sup>

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<sup>150</sup> Submission 13, Mr Greg Sweetman, p 1

<sup>151</sup> Submission 13, p 1

<sup>152</sup> Submission 28, Mr Doug Brooks, p 1

<sup>153</sup> Submission 24, Mr Reg Cockburn, p 1

<sup>154</sup> NSW Transport and Infrastructure, *Taxi Licensing Changes for New South Wales*, p 4 <<http://www.transport.nsw.gov.au/taxireform/?q=printme>> (accessed 3 December 2009)

<sup>155</sup> NSW Transport and Infrastructure, *Taxi Licensing Changes for New South Wales*, p 4 <<http://www.transport.nsw.gov.au/taxireform/?q=printme>> (accessed 3 December 2009)

- 3.29** In considering the number of licences to be released each year, the Director General of NSW Transport and Infrastructure must take into consideration a range of matters, including:
- likely passenger demand, including latent demand
  - performance of existing taxi services
  - maintaining a sustainable and viable industry
  - level of market interest in new licences
  - any other matters that the Director General may consider to be relevant.<sup>156</sup>
- 3.30** The Director General will also determine whether the new licences will be issued by public auction or through a sealed tender, meaning that ‘rather than Government setting the licence fee, anyone wanting a new taxi licence is able to bid the amount they are willing to pay’.<sup>157</sup>
- 3.31** NSW Transport and Infrastructure noted that the 2009 amendments should help to increase competition in the industry by:
- increasing the number of licences available
  - allowing for limits to be placed on the number of licences that can be purchased by the same applicants, or related applicants
  - allowing for all or some licences to be only issued to taxi drivers who hold, or are obtaining, operator accreditation.<sup>158</sup>
- 3.32** Mr Les Wielinga, Director General, NSW Transport and Infrastructure said of the reforms:
- Fundamentally it is about the number of taxis out there and putting in place an appropriate mechanism for getting an increased number of taxis with maximum flexibility to operate and service the market ... We have a situation now where we determine a number based on a number of criteria, including an assessment of demand.<sup>159</sup>
- 3.33** NSW Transport and Infrastructure identified several other objectives of the reforms:
- ensuring that the supply of taxis responds to growth in passenger demand
  - making it easier and more affordable to get a taxi licence, without ‘unreasonable impacts on existing licence holders’
  - encouraging competition

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<sup>156</sup> Submission 45, p 8

<sup>157</sup> Submission 45, p 8

<sup>158</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Les Wielinga, Director General, NSW Transport and Infrastructure, p 16

<sup>159</sup> Mr Les Wielinga, Director General, NSW Transport and Infrastructure, Evidence, 2 February 2010, p 16

- placing downward pressure on fares over the longer term
- simplifying the existing licensing structure.<sup>160</sup>

### **Reaction to the new licensing regime**

**3.34** Inquiry participants expressed a mixed reaction to the new licensing regime, with some participants fearful of the impact of the reforms on their livelihoods. Mr William Poulos, an owner/operator, said:

I have invested blood sweat and tears in the industry over the past 4 decades only to have it threatened by some scheme that has not been well thought out and has the potential to ruin my and my family's livelihood. Whilst I have no issue with the issue of taxi plates with an increasing population to provide the service as required, to do so under the current scheme proposed threatens all that I have worked for without any compensation.<sup>161</sup>

**3.35** The NSW Taxi Drivers Association commented that 'the release of additional taxi plates will make the industry even less viable for those struggling to remain in it. Any further dilution of earnings per taxi driver will increase the exodus of drivers out of the industry'.<sup>162</sup>

**3.36** Mr Ted Hirsch, taxi driver, commented on the potential impact if the market were to be 'flooded with new plates':

While new Plates are at times necessary commensurate with actual growth in demand for taxis, (as distinct from population growth) it is essential that the taxi industry should not be flooded by new plates. This is important for the already meagre livelihoods of taxidrivers and their families as well as the livelihoods of many taxi owner/drivers and small taxi operators.<sup>163</sup>

**3.37** The NSW Taxi Drivers Association similarly noted:

We have been told that Sydney's population is increasing and that justifies the release of new taxi plates. There are simply no verifiable measures, no historical statistics of unmet demand for taxis. Until there are measures of unmet demands and other strategies for meeting any identified, measured, unmet demand have been explored and exhausted there is simply no case to issue more taxi plates.<sup>164</sup>

**3.38** Southern Highlands Taxi Service suggested that rather than increasing the number of licences available '[b]etter taxi usage in Sydney and its suburbs may well alleviate the need for extra licences. It is important however that the value of existing licences be protected as in thousands of cases this is the family asset'.<sup>165</sup>

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<sup>160</sup> Submission 45, p 8

<sup>161</sup> Submission 17, Mr William Poulos, p 1

<sup>162</sup> Submission 46, p 19

<sup>163</sup> Submission 54, Mr Ted Hirsch, p 34

<sup>164</sup> Submission 46, p 19

<sup>165</sup> Submission 19, p 4

**3.39** Mr Cockburn felt that an increase in the number of licences would have a particularly detrimental impact in regional and rural areas, referring to the potential effect in Newcastle:

... it is of major concern that additional plates may be released into the Newcastle district when at this point in time there does not appear to be any work to substantiate additional taxis in the area ... A lot of owner-operators feel destitute as a result of the situation they have been put in relating to these plates. The plates were selling for about \$220,000 in Newcastle ... While about one taxi plate per month was being sold in Newcastle not one has been sold since the legislation was introduced or accepted.<sup>166</sup>

**3.40** Mr Ron Haile, General Manager, St George Cabs, highlighted the impact of the new framework on the Peak Availability Licences that operate from 12 noon to 5am daily and are renewable every six years.<sup>167</sup> Mr Haile noted that under the new framework:

... short term licences are grouped in with new licence issues and the Director General has almost absolute power to decide how these licences are issued. There is a very real possibility that the renewal of PAL [Peak Availability Licences] plates expiring in the 2010-2011 financial year will be put to public tender with the existing licence holders, who have held the licences for in excess of twelve years, given absolutely no priority in the retention of their licences and given no consideration for the investment of a taxi vehicle or their continued business.<sup>168</sup>

**3.41** However, many Inquiry participants were supportive of the new licensing framework. For example, Mr Ramshaw observed:

We think the recent reforms are a positive step. We acknowledge that the industry needs to be allowed to grow in response to increases in demand and to ensure that we remain competitive by keeping our service levels competitive and providing a high level of service ... We needed a solution that overcame the problems that we had with trying to maintain or establish growth at a level that was equivalent to the need. It is a matter of getting the balance correct.<sup>169</sup>

**3.42** One Inquiry participant said that '[m]ore taxi licences need to be issued every year at a rate that at least matches Sydney's population growth'.<sup>170</sup> Another Inquiry participant outlined the benefits of the new framework:

Limiting the supply of taxi licences to allow for sustainable taxi licence releases commensurate to population growth and other factors as contained in the new legislation is very much welcomed as it provides certainty for long term career taxi owner drivers to invest in the NSW taxi industry and their careers. It provides flexibility for industry participants in that they have the option of leasing existing or new licences or purchasing an existing taxi licence, whilst preventing market

<sup>166</sup> Mr Reginald Cockburn, Owner-operator, Newcastle Taxis, Evidence, 4 February 2010, p 20

<sup>167</sup> Correspondence from Mr Ron Haile, General Manager, St George Cabs, to Chair, 31 March 2010, p 1

<sup>168</sup> Correspondence from Mr Haile to Chair, 31 March 2010, p 3

<sup>169</sup> Mr Ramshaw, Evidence, 2 February 2010, p 4

<sup>170</sup> Submission 36, p 1

concentration in the take-up of these newly issued taxi licences by prohibiting take-ups by one entity or related bodies corporate.<sup>171</sup>

**3.43** The submission author continued to say that the framework ‘should be regarded as a model of best practice and implemented in other jurisdictions. Such legislation provides for the sustainable increase in taxi licences in accordance with a number of legislatively prescribed parameters’.<sup>172</sup>

**3.44** Mr Elias Haddad also noted the need to provide more taxi services to meet the needs of a growing population: ‘I do agree that the population of Sydney is rising and therefore more businesses are needed to service such a population including the taxi industry’.<sup>173</sup>

**3.45** Mr Garth Mulholland, Chief Advisor, Transport Workers Union, was cautiously supportive of the new scheme, observing the need to ‘balance the need for the extra taxi plates with the rights of people who currently own taxi plates because they are not all multi-millionaires’:

A lot of them are mums and dads just trying to make a living and that quite often makes up their super ... You need to balance the needs of the community and the users, make sure that you have accessible and affordable taxi plates, but also that you respect the rights of people who currently have plates and maintain their current investment.<sup>174</sup>

**3.46** The Tourism and Transport Forum questioned whether a sufficient number of licences was being made available to have a positive impact on the industry:

The circumstances of licence supply restriction and licence ownership concentration have given rise to perceptions of a government-sanctioned monopoly in the NSW taxi industry ... The impending release of new annual licence plates at the market value of \$28,600, or \$550 per week, indicates an awareness of this supply shortage by the NSW Government, however it is doubtful that this alone can stem the flow of unsustainable licence values, and anti-competitive activity.<sup>175</sup>

**3.47** Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, indicated that he felt that new licences should be issued on a more regular basis than the new scheme allows:

It has always been my view we needed more taxis. If they are not issued in a sensible, progressive manner you create more problems than you solve, and that has always been our argument, that licences should be issued - if I was issuing them I would be issuing them on a month-by-month basis rather than on an annualised basis.<sup>176</sup>

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<sup>171</sup> Submission 29, p 3

<sup>172</sup> Submission 29, p 7

<sup>173</sup> Submission 31, Mr Elias Haddad, p 1

<sup>174</sup> Mr Garth Mulholland, Chief Advisor, Transport Workers Union, Evidence, 2 February 2010, p 66

<sup>175</sup> Submission 56, Tourism and Transport Forum, p 5

<sup>176</sup> Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, Evidence, 31 March 2010, p 13

*Committee comment*

- 3.48** The Committee acknowledges the concerns raised by many Inquiry participants regarding the potential impact of deregulation on their livelihoods and on the NSW taxi industry. The Committee is acutely aware that deregulation could have devastating consequences for many of the small business operators in the NSW taxi industry. The Committee notes that the Government responded to industry concerns in finalising the 2009 reforms to the industry.
- 3.49** The Committee considers that the new licensing scheme, which requires the Director General of NSW Transport and Infrastructure to consider a range of factors in determining how many licences to release annually, strikes an appropriate balance between the need for more taxis and the need to protect the incomes and investments of taxi operator and drivers.

**Tender processes for new licences**

- 3.50** NSW Transport and Infrastructure advised that while the new annual process for the release of licences commenced in March 2010, an initial tender for 100 unrestricted annual taxi licences in Sydney was held in January 2010, equating to an initial fleet growth of 2 per cent.<sup>177</sup>
- 3.51** In answers to questions on notice taken in February 2010, Mr Wielinga indicated that there was ‘considerable interest’ in the initial tender, and that ‘some licences have already been issued and the rest of the applicants are currently in the process of finalising arrangements – such as obtaining vehicles – so that their licences can be issued’.<sup>178</sup>
- 3.52** Mr Wielinga explained how the initial tender unfolded:

Basically it was a competitive tender process that went out to the market. All were invited to respond to that tender. Price was the significant issue. There is a requirement to get taxis on the road as quickly as possible, but there are natural commercial drivers for that to happen. In fact, over 40 of those new licences are already out there with their taxis and up and running. They are going very quickly. We got a very good response to it - about 800 submissions. The outcomes were basically what we expected ... We expected that there would be a strong demand for new licences because it was clear to us that there was a demand for additional taxis to go out there ... About 60 per cent of the submissions were from individual drivers.<sup>179</sup>

- 3.53** Ms Jenny Roberts, General Manager, Lime Taxis, observed that ‘[t]he tender that just went out for the 100 plates showed that there was a demand for taxi plates. It has been a long time, looking at that need. With all the reporting that we do and that we can do we should be a bit more proactive’.<sup>180</sup>

<sup>177</sup> Submission 45, p 8

<sup>178</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 10

<sup>179</sup> Mr Wielinga, Evidence, 31 March 2010, p 40

<sup>180</sup> Ms Jenny Roberts, General Manager, Lime Taxis, Evidence, 2 February 2010, p 54

**Distribution of new licences**

- 3.54** Mr Wielinga advised that in regard to the allocation of the new licences, ‘there was a limit set that any one individual or company could have a maximum of 10’.<sup>181</sup>
- 3.55** NSW Transport and Infrastructure outlined how the 100 new licences were allocated:
- As at 5 May 2010, 82 of the initial release of 100 licences have been issued and 60 of these have been issued to individuals. Of the 18 licences yet to be issued, all will be issued to individuals ... This means that 78 out of the 100 licences in this initial release have – or are expected to be – issued to individuals. The 22 remaining successful bids have been made by corporations, which can include networks and any other entity trading under a company structure ...<sup>182</sup>
- 3.56** NSW Transport and Infrastructure said that the names of each new licence holder, and the bid price paid, will be available on the NSW Transport and Infrastructure following the completion of the allocation process, or ‘by the end of the first week of July at the latest’.<sup>183</sup>
- 3.57** The Committee was concerned that despite there being approximately 800 applications for the 100 new licences, approximately one quarter of the licences were distributed to corporations, including taxi networks. For example, the Committee notes that Combined Communications Network, which is owned by Cabcharge Australia Limited, received 10 of the new licences.<sup>184</sup>
- 3.58** Following this initial distribution, NSW Transport and Infrastructure indicated that a ‘further tranche of licences will be issued from 1 July 2010, either by tender or auction, following the Director-General making his first determination of the number of licences (other than wheelchair accessible taxi licences) to be issued for the 2010/11 financial year’.<sup>185</sup>
- 3.59** Mr Wielinga provided the Committee with more detail about the process of making the new annual determination for the number of licences to be released:

We are getting independent economic advice about what the demand is out there. We have got a demand model that has been created looking at the number of licences that the market requires to deal with those demand issues. We have got a competitive environment where everybody gets a go, as well as that we have put some rules around it so that we get a reasonable distribution of those licences to different entities. And all of those details finish up going on our website. There needs to be a little bit of flexibility around these sorts of things but more importantly the decisions need to be made independently and based on good advice and people need to see how it was done.<sup>186</sup>

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<sup>181</sup> Mr Wielinga, Evidence, 31 March 2010, p 40

<sup>182</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 2

<sup>183</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 2

<sup>184</sup> Mr Kermodé, Evidence, 31 March 2010, p 14

<sup>185</sup> Submission 45, p 5

<sup>186</sup> Mr Wielinga, Evidence, 31 March 2010, p 46

**3.60** NSW Transport and Infrastructure explained its reasons for following this process:

It is anticipated that the Government's reforms to taxi licensing arrangements will benefit drivers. By releasing licences in a gradual and sustainable way, and enabling applicants to establish the price they are willing to pay, the Government is ensuring that drivers who are interested in running their own taxi business; have the opportunity to do so.<sup>187</sup>

**3.61** Following the receipt of advice from PricewaterhouseCoopers on the appropriate number of annual taxi licences to release in 2010/11, NSW Transport and Infrastructure announced that for the year commencing 1 July 2010, 316 licences would be released. These are to include:

- 167 new unrestricted annual taxi licences - 90 of these licences will be available only to authorised taxi drivers who are also, or who have applied to become, an accredited taxi operator
- 149 replacement licences to cover existing licences that will expire in 2010/11, made up of 52 unrestricted, 90 peak availability and 7 fringe area.<sup>188</sup>

**3.62** NSW Transport and Infrastructure advised that 'while 90 of the 167 new licences will be made available only to taxi drivers, the remaining 77 new licences and all 149 replacement licences will be available for anyone to bid for, including taxi drivers'.<sup>189</sup>

**3.63** In addition, the Pricewaterhouse Coopers review found that 'given that 90 of the 'growth' licences would be available to drivers only, there was no need to further restrict the number of licences for which an applicant – or related applicant – could bid, and that market forces should be allowed to operate'.<sup>190</sup>

**3.64** This means that there is no limit on the number of licences that any one applicant or related applicants may purchase.<sup>191</sup>

**3.65** Some Inquiry participants expressed concerns about the tender processes adopted by NSW Transport and Infrastructure to allocate the initial tranche of new licences. The NSW Taxi Drivers Association said: '[a]lready there is major public scepticism and concern regarding the way that the new Plate Leases will be processed'.<sup>192</sup>

<sup>187</sup> Submission 45, p 13

<sup>188</sup> NSW Transport and Infrastructure, *Taxi Licensing Changes for NSW – 2010/11 determination of annual (non-WAT) taxi licences in Sydney* < <http://www.transport.nsw.gov.au/taxireform/> > (accessed 13 April 2010)

<sup>189</sup> NSW Transport and Infrastructure, *Taxi Licensing Changes for NSW – 2010/11 determination of annual (non-WAT) taxi licences in Sydney* < <http://www.transport.nsw.gov.au/taxireform/> > (accessed 13 April 2010)

<sup>190</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 1

<sup>191</sup> NSW Transport and Infrastructure, *Taxi Licensing Changes for NSW – 2010/11 determination of annual (non-WAT) taxi licences in Sydney* < <http://www.transport.nsw.gov.au/taxireform/> > (accessed 13 April 2010)

<sup>192</sup> Submission 46, p 22

**3.66** Mr Hirsch said in regard to the release of the 100 new licences in early 2010:

Almost immediately NSW Transport and Infrastructure issued very elaborate tender documents that simply invite anybody to submit tenders in a sealed envelope, up to maximum of 10 plate licences, for the 100 new licences that have been declared available. That is a closed system ... It is not open. It means that an experienced driver who would like to run a cab with a lease – the sort of driver to whom the Minister referred – has to bid against the networks, which can bid for a maximum amount of 10 and who are heavily financed. There is no competition and there is no chance.<sup>193</sup>

**3.67** Mr Hirsch suggested that a public auction be held for any new licences: ‘An open public auction system is considered to be essential for public scrutiny and for the minimisation of any appearance of manipulation, contrivance or corruption’.<sup>194</sup> Mr Hirsch further suggested that the auction process be held in three stages:

- Stage One – public auction for taxi drivers only
- Stage Two – public auction for small lease holders/plate owners, with a limit of 5 plates per purchaser
- Stage Three – public auction open to all, including those who missed out in the first and second stages.<sup>195</sup>

**3.68** Mr Hirsch said that ‘after any Lease bidding, at auctions (or tenders), T&I should be required to promptly publish the details of all successful bidders, their names, total numbers of plates controlled, lease prices and other details’ to ensure transparency and accountability.<sup>196</sup>**3.69** NSW Transport and Infrastructure has committed to making publicly available the names of people who are successful in future tender processes, as discussed in Chapter 9.**3.70** Mr Christopher Brown, Managing Director, Tourism and Transport Forum, argued that a public auction process was not an infallible way to sell the new licences:

It is an auction. You can keep bidding the price up ... You can just keep bidding it up to take other players out of the system. I am no market economist but someone has got to find a system better than that because, as I said, it is simply leading to a consolidation ...<sup>197</sup>

**3.71** The NSW Taxi Drivers Association said that public auctions can result in licence prices being ‘driven up to new heights by ill informed, naive and unwary new industry entrants whose expectations are beyond those of experienced industry stalwarts’, while public tenders present

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<sup>193</sup> Mr Ted Hirsch, Taxi driver, Evidence, 4 February 2010, p 18

<sup>194</sup> Submission 54, p 29

<sup>195</sup> Submission 54, p 29

<sup>196</sup> Submission 54, p 31

<sup>197</sup> Mr Christopher Brown, Managing Director, Tourism and Transport Forum, Evidence, 4 February 2010, p 9

a 'real and unavoidable risk that the existing stake holders will strive to manipulate the process to sustain existing plate prices at unrealistically high levels'.<sup>198</sup>

- 3.72** The NSW Taxi Drivers Association suggested that the process should proceed by ballot, with:
- each applicant able to purchase a single plate
  - all applicants must be qualified accredited taxi drivers
  - no networks able to apply for new plates
  - taxi drivers who have worked in the industry for longer periods of time given priority.<sup>199</sup>

*Committee comment*

- 3.73** The Committee acknowledges concerns that the processes for the allocation of new taxi licences could be manipulated. Any tender process needs to be transparent and subject to public scrutiny. It is particularly important that taxi drivers and small business operators are able to fairly compete against taxi networks during any tender process, notwithstanding that taxi networks inevitably possess far greater financial resources than individuals.
- 3.74** The Committee is concerned that despite the high level of interest in the initial tender for the new taxi licences – over 800 applicants – the process resulted in the concentration of ownership of the new licences in the hands of existing licence holders.
- 3.75** The Committee notes that the 2010/11 annual licence release requires 90 of 316 licences to be allocated to authorised taxi drivers who are also, or who have applied to become, an accredited taxi operator.
- 3.76** However, the Committee is greatly concerned that in relation to the remainder of the licences, there is no limit on the number of licences that any one applicant or related applicants can be allocated. The absence of a limit on the number of licences that can be purchased may result in taxi networks using their considerable financial resources to purchase multiple additional licences, which may perpetuate or exacerbate the concentration of ownership of licences.
- 3.77** The Committee considers that to encourage competition and diversity, NSW Transport and Infrastructure should ensure that future licence allocations are equitably distributed, via a ballot process for qualified applicants, and, importantly, that there is a limit of one licence per applicant or related applicants. This will reduce the likelihood of the concentration of ownership, and minimise the financial advantage that taxi networks may have in any tender or bidding processes.
- 3.78** To further ensure that future licence allocations encourage diversity in licence ownership, the Committee considers that individuals or entities that currently own 10 or more licences should be ineligible to participate in future allocation processes.

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<sup>198</sup> Submission 46, p 21

<sup>199</sup> Submission 46, pp 21-22

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**Recommendation 1**

That NSW Transport and Infrastructure limit the number of licences an applicant, or related applicants, can receive in future licence allocations, to one.

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**Recommendation 2**

That NSW Transport and Infrastructure disqualify individuals or entities that currently own 10 or more licences from participating in future allocations of new licences.

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**Recommendation 3**

That NSW Transport and Infrastructure adopt a ballot system for allocation of future licences to qualified applicants.

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**Alternative licensing schemes**

- 3.79** Some Inquiry participants suggested further reforms to the licensing regime. Two alternative options were advanced. The first option suggested that there should be a requirement for the owners of a licence to be the operator of that licence. The second option involved the establishment of a seniority register to give long-term taxi drivers priority access to plates.

**Increased number of owner-drivers**

- 3.80** It was suggested that the taxi industry would benefit from an increase in the number of owner-drivers participating in the industry. The 'Taxi Drivers' Association of Victoria said: 'We believe there should be a hard and fast law in the 'Taxi Industry. One Owner = One set of plates'.<sup>200</sup>

- 3.81** Mr Barry Bell, taxi driver, noted some changes have occurred in the industry since there was a decline in the number of owner-drivers:

When I first drove a Taxi there was a large degree of professionalism as, to own a Taxi plate, you had to be a driver ... The Government then saw fit to make money out of issuing plates by not only selling them to qualified drivers but to anyone who walked in off the street. The plates became a lucrative investment area ... has led to the income of the driver being surely eroded and only the desperate going into the trade and mostly not lasting very long. There goes the professionalism.<sup>201</sup>

- 3.82** The Tourism and Transport Forum advocated encouraging a greater number of owner-drivers in the industry as a way to increase service standards:

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<sup>200</sup> Submission 9, Taxi Drivers' Association of Victoria, p 3

<sup>201</sup> Submission 12, Mr Barry Bell, p 1

Lifting the barriers to taxi ownership posed by the current licensing regime will encourage the establishment of more owner-driver and small fleet operations in the industry. Encouraging small business ownership and competition in the market will dramatically increase service standards for customers and career opportunities for drivers.<sup>202</sup>

**3.83** Mr Michael Hatrick, taxi driver, suggested that: ‘Absentee investors breed taxi licence management organisations. These are often the source of both substandard labour relations and vehicle maintenance’.<sup>203</sup>

**3.84** Mr Ian Anderson suggested that ‘[i]nvestors have no concern for the operation of the Taxi industry, merely a return on their money’.<sup>204</sup> Mr Anderson proposed that the Government should seek to increase the number of owner-drivers:

Today these lease operators control the majority of cabs and they are not in the Taxi Business, as owner operators were, they are in the car hire business ... They have no interest in the driver or the Taxi operations just the hire of a vehicle that happens to have a Taxi sign on the roof ... My submission is therefore that the Government seek to actively encourage the owner driver and hence improve operational involvement by plate owners. To do this I submit that a return to the seniority list of the Pre Baird era when drivers were encouraged to stay in the industry by the offer of plates after 15 years or so of service.<sup>205</sup>

### **Establishment of a seniority register**

**3.85** Several Inquiry participants advocated for the establishment of seniority register, where long serving drivers are given priority rights to acquire new taxi licences. The 2005 Taxi Taskforce Report recommended that consideration be given to the establishment of ‘...a taxi licence seniority system as a means of encouraging career development in the NSW taxi industry’.<sup>206</sup>

**3.86** Mr Hirsch said that ‘[t]his system was extraordinarily successful in that it provided long term incentives and a career for drivers and was invariably associated with pride in the industry and excellent customer service’.<sup>207</sup>

**3.87** The NSW Taxi Drivers Association considered that the merits of the seniority scheme were that ‘responsibilities for additional taxi services were assigned to those who best understood what the travelling public wanted and had already made a commitment to serve those needs’.<sup>208</sup>

**3.88** Mr Kermode, also supported the establishment of a seniority register:

<sup>202</sup> Submission 56, Tourism and Transport Forum, p 6

<sup>203</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Michael Hatrick, p 2

<sup>204</sup> Submission 4, Mr Ian Anderson, p 1

<sup>205</sup> Submission 4, p 1

<sup>206</sup> Ministry of Transport, *Taxi Taskforce Report*, December 2005, p 3

<sup>207</sup> Submission 54, p 32

<sup>208</sup> Submission 46, p 21

If we wanted to lift the image of the industry and give some advantage or some inducement for good people to come into the industry and have a career path in the industry we had to do something for them. Unfortunately, other people have different views about that. I am a great believer in a seniority register for drivers ...<sup>209</sup>

- 3.89** The NSW Taxi Council also indicated its support for a system where priority for new taxi licences is given to senior drivers, particularly where that scheme operates in conjunction with measures to ensure that the newly issued taxi licences are not concentrated in the hands of a few industry players:

To ensure the release of new licences does not result in less competition or domination by any large company or group, the NSW Taxi Council proposed that limits be placed on the number of licences that can be issued to any one entity during each release period and has supported moves to give priority to taxi drivers with good service records who have been in the industry for long periods of time.<sup>210</sup>

- 3.90** The Australian Taxi Drivers Association suggested that a scheme to give licences to drivers could also have operational conditions attached to ensure service levels:

... unequivocally of the view that all taxi licences be henceforth issued and or transferred only to persons actively engaged as the primary driver of the licenced vehicle, and that a condition of such issue be that, subject to reasonable explanation, the primary driver operate the taxi for at least four day or three night shifts a week for 45 weeks a year.<sup>211</sup>

- 3.91** Mr Wielinga acknowledged the importance of providing opportunities for senior taxi drivers, and noted that several taxi drivers had been successful in the recent allocation of licences:

I think one of the important contributing factors is to provide opportunities for long-term serving drivers in the taxi industry, for example ... It provides a career progression for them. They have been in the industry for a long time. They have generally prior good service. They know the industry. They are there for the long haul. This recent determination we have done in the past few days gives the lion's share of those licences to existing taxi drivers.<sup>212</sup>

### *Committee comment*

- 3.92** The Committee notes the commitment of NSW Transport and Infrastructure to ensure that a proportion of new licences are allocated to authorised taxi drivers who are also, or who have applied to become, an accredited taxi operator. However, the Committee considers that more can be done to encourage drivers to remain in the industry over the long term, and to ensure that licence ownership is not concentrated in the hands of a few industry stakeholders.

- 3.93** Establishing a seniority register will allow NSW Transport and Infrastructure to recognise and reward taxi drivers who have demonstrated a positive commitment to the taxi industry, and

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<sup>209</sup> Mr Kermode, Evidence, 31 March 2010, p 13

<sup>210</sup> Submission 42, p 15

<sup>211</sup> Answers to questions on notice taken during evidence, 3 February 2010, Mr Michael Jools, President, Australian Taxi Drivers Association, p 3

<sup>212</sup> Mr Wielinga, Evidence, 31 March 2010, p 46

provide career development opportunities for drivers with good service records. The Committee considers that an increase in the number of owner-drivers will also lead to improvements in service standards.

- 3.94** To achieve this, the Committee believes that NSW Transport and Infrastructure should investigate the establishment of a taxi licence seniority register for drivers with an exemplary service record. The register could provide guidance to NSW Transport and Infrastructure as to the number of licences that should be allocated to drivers in future licence allocation processes.

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#### **Recommendation 4**

That NSW Transport and Infrastructure investigate the establishment of a taxi licence seniority register for drivers with an exemplary service record that may be used in future licence allocations.

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### **Enforcement of licence regulations**

- 3.95** As noted in Chapter 2, there are several regulations pertaining to the operation of taxi licences. NSW Transport and Infrastructure advised that they have implemented a number of measures improve performance and ensure compliance with regulations. These initiatives include:

- introducing Authorised Taxi Inspection Stations (ATIS) to regional and rural areas
- participating in targeted taxi operations with NSW Police, the Roads and Traffic Authority and other relevant authorities. For example, to ensure compliance with the safety and comfort standards required under the Passenger Transport Regulation 2007, the number of on road inspections was increased by 5.3% from 2007/08 to 2008/09
- increasing compliance activities in peak periods. For example, NSW Transport and Infrastructure recently conducted compliance patrols each night from December 2009 through to the New Year period and operated the taxi hotline 24 hours a day over that period.<sup>213</sup>

- 3.96** Mr Craig Dunn, A/Director, Transport Operations, NSW Transport and Infrastructure explained the role of compliance officers:

... conduct regular inspections of taxis on the road to ensure that the taxi is being operated in accordance with the Act and the associated regulation. They are done at all times of the day and on all different days of the week on a random basis, and vehicles are therefore inspected to ensure that compliance.<sup>214</sup>

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<sup>213</sup> Submission 45, pp 4-5

<sup>214</sup> Mr Craig Dunn, A/Director, Transport Operations, NSW Transport and Infrastructure, Evidence, 2 February 2010, p 19

**3.97** Mr Dunn further indicated that there are over 20 compliance officers based in Sydney, who oversee a fleet of approximately 5,400 taxis.<sup>215</sup>

**3.98** Despite these initiatives, some Inquiry participants suggested that the enforcement of licensing conditions is inadequate. For example, Mr Lawrence Stewart, Director, Southern Highlands Taxi Service said there are not enough compliance officers:

There appears to be adequacy in government reporting standards & regulation of the industry however there does not appear to be adequate enforcement of those regulations. This applies to both metropolitan and country ... there should be more Compliance Officers available to inspect both the taxis & the driver.<sup>216</sup>

**3.99** Mr Paul Fletcher, taxi driver, also observed that he has had limited contact with compliance officers, advising that 'quality service (or behaviour) requires consistent and regular monitoring and correction. Many years ago there were regular checks on drivers and vehicles on the ranks and at the airport ... I could not tell you the last time I or my cab was checked other than the routine registration and four monthly inspections'.<sup>217</sup>

**3.100** Mr Kary Peterson, Manager-Transport, Tourism and Transport Forum noted that to ensure the safety and roadworthiness of the entire taxi fleet in Victoria, 'the Victorian taxi directorate did a complete audit of every single taxi in the State over the course of the end of 2008 to 2009. That is something that would be welcomed in New South Wales, for sure. That was to check whether they were all roadworthy, to get the specifications of the vehicle, and so forth'.<sup>218</sup>

**3.101** In the event that a compliance officer determines that a licence is not being operated in accordance with the conditions attached to the licences, Mr Dunn explained that '... we would normally go through a process of issuing warnings. We can then have the option to cancel or suspend a licence, and then if it comes up for renewal, that the licence not be reissued or renewed'.<sup>219</sup>

***Committee comment***

**3.102** The Committee is concerned that NSW Transport and Infrastructure employs only 20 compliance officers to oversee a fleet of over 5,400 taxis.

**3.103** The Committee believes that NSW Transport and Infrastructure should employ more compliance officers to conduct regular and unannounced inspections of taxis in New South Wales, and that these officers should be provided with a comprehensive compliance checklist. This will ensure that vehicles that do not comply with the licensing regulations are readily identified and prevented from operating.

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<sup>215</sup> Mr Dunn, Evidence, 2 February 2010, p 19

<sup>216</sup> Submission 19, pp 2-3

<sup>217</sup> Submission 44, p 5

<sup>218</sup> Mr Kary Peterson, Manager, Transport, Tourism and Transport Forum, Evidence, 4 February 2010, p 6

<sup>219</sup> Mr Dunn, Evidence, 2 February 2010, p 20

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### Recommendation 5

That NSW Transport and Infrastructure employ more compliance officers to conduct regular and unannounced inspections of taxis in New South Wales and officers be provided with a comprehensive compliance checklist.

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- 3.104** The Committee further considers that the audit of all of the taxis in the Victorian fleet conducted by the Victorian Taxi Directorate has considerable merit for application in New South Wales. The Committee believes that NSW Transport and Infrastructure should conduct such an audit, commencing in January 2011, to ensure that all vehicles in the New South Wales taxi fleet are roadworthy and comply with regulatory requirements.
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### Recommendation 6

That NSW Transport and Infrastructure conduct an audit of all vehicles in the NSW taxi fleet, with the audit commencing in January 2011.

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## National Competition Policy

- 3.105** In 1995, all Australian governments ‘agreed to remove restrictions on competition on an ongoing basis unless those restrictions could be shown to be in the public interest and would benefit the overall community’.<sup>220</sup> This program was known as the National Competition Policy (NCP). The program, which ran until 2005, ‘placed competition at the forefront as a means of securing productivity, economic growth and a broadly defined Australian national interest’.<sup>221</sup>

- 3.106** The National Competition Council was established to independently assess the performance of governments in removing restrictions on competition. The NCP also:

...created a regime of competition payments from the Commonwealth to state and territory governments as a means of sharing the dividends from NCP reforms. These payments were subject to the states and territories meeting their agreed reform commitments, and could be reduced if commitments were not met.<sup>222</sup>

- 3.107** In June 2005, in order to assess the performance of the NSW taxi industry with respect to the NCP, the NSW Government commissioned a review of part 4 of the *Passenger Transport Act 1990* and the *Passenger Transport (Taxi-Cab Services) Regulation 2001*. NSW Transport and Infrastructure summarised the Review findings:

... controls imposed on market entry, performance standards and, price controls were justified on the basis of improvements in passenger and driver safety, business

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<sup>220</sup> National Competition Council, ‘National Competition Policy Assessment’, *Media Release*, 5 February 2010

<sup>221</sup> David Crawford, President of the National Competition Council, *Presentation to the ACT Economic Society, Tuesday 5th May 2009*, quoted in Submission 42, p 15

<sup>222</sup> Submission 42, pp 15-16

management and investment, public confidence and the availability and reliability of taxis. However, the review also found that the price, nature and perceptions of the relative value of ordinary and short term licences (compared with licences issued before the introduction of the PT Act) was a barrier to the take-up of new licences and suggested a range of options to improve industry competitiveness.<sup>223</sup>

- 3.108** Following this review, PricewaterhouseCoopers was engaged to assess reform options and ‘help inform Cabinet’s decision making process on a preferred model of taxi licensing reform’.<sup>224</sup> The reforms to the regulatory framework that were announced in October 2009 were the outcome of this process.
- 3.109** NSW Transport and Infrastructure indicated that ‘[t]he NSW Government has complied with - and continues to comply with – its National Competition Policy obligations’.<sup>225</sup> The NSW Taxi Council stated that ‘New South Wales did receive all of its final Competition Policy Payments and no penalties were imposed for non-compliance’.<sup>226</sup>
- 3.110** The NSW Taxi Council noted the relevance of recent changes to the *Passenger Transport Act 1990* to the NCP principles, explaining that the new provisions ‘effectively mean that previous NCP assessments undertaken for New South Wales are now redundant. It would seem highly likely that any current assessment would conclude that the new arrangements align even more closely with the original NCP principles’.<sup>227</sup>
- 3.111** NSW Transport and Infrastructure also considers that the ‘changes to the legislation continue to be in keeping with and meet NCP principles’ because the new framework:
- does not impose an artificial cap on supply, but allows the Government to ensure that licence supply keeps pace with service demand; and
  - allows the fees for licences to be set through a competitive process by the market.<sup>228</sup>

### *Committee comment*

- 3.112** The Committee did not receive any evidence to suggest that New South Wales has not complied with the tenets of the National Competition Policy. The Committee is optimistic that increased competition resulting from the 2009 reforms will result in the development of an industry that balances the needs of all stakeholders.

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<sup>223</sup> Submission 45, pp 8-9

<sup>224</sup> Submission 45, pp 8-9

<sup>225</sup> Submission 45, pp 8-9

<sup>226</sup> Submission 42, pp 15-16

<sup>227</sup> Submission 42, pp 15-16

<sup>228</sup> Submission 45, p 9

## Chapter 4 Taxi networks and the Nexus scheme

One of the recurring issues throughout the Inquiry was the linked standard and wheelchair taxi licences that were issued under the so-called ‘Nexus scheme’. The merits of these paired licences have been a source of ongoing consternation throughout the industry, with assertions that some parties have benefited from the issue of these licences. There is also a wide range of opinions as to how the equity issues surrounding the Nexus scheme licences should be addressed.

This Chapter begins by considering the Nexus scheme licences and their impact on the taxi industry, as required by term of reference (b). The Chapter then discusses the role of taxi networks in the industry; including the legislative requirements become an accredited network, the inter-relationships between networks and the costs associated with belonging to a network.

### The Nexus scheme

#### Background to the Nexus scheme

- 4.1** The Nexus scheme refers to ‘a number of arrangements, which evolved over time, relating to the provision of additional taxi services in order to meet the demands of the community’.<sup>229</sup> The income derived from licences issued under the Nexus scheme was intended ‘to compensate taxi networks for the provision of wheelchair accessible taxi services which would, otherwise, not be economically viable’.<sup>230</sup>
- 4.2** The term ‘Nexus’ was first used to describe the 12 standard licences that were issued as a pair with 12 wheelchair accessible taxi (WAT) licences in 1990.<sup>231</sup> The term has since been extended to include ‘all licences issued and extended in the 1980s to compensate networks for the delivery of wheelchair accessible services’.<sup>232</sup>
- 4.3** NSW Transport and Infrastructure outlined the history of the Nexus licences, which were issued free of charge in the early 1980s and 1990s:
- a number of temporary licences were issued between 1982 and 1985 to support the introduction of random breath testing
  - as a strategy to encourage take-up and operation of wheelchair accessible taxi (WAT) licences, the Government allowed networks with these temporary licences to continue to operate them indefinitely, but not to trade them. This was intended to cross-subsidise the provision of the less viable WAT services

<sup>229</sup> Deloitte Touche Tohmatsu, *Administration of the Nexus Scheme*, Final Report, February 2007, p 10

<sup>230</sup> Deloitte Touche Tohmatsu, *Administration of the Nexus Scheme*, Final Report, February 2007, p 11

<sup>231</sup> Deloitte Touche Tohmatsu, *Administration of the Nexus Scheme*, Final Report, February 2007, p 11

<sup>232</sup> Deloitte Touche Tohmatsu, *Administration of the Nexus Scheme*, Final Report, February 2007, p 11

- in 1990, 12 standard licences, paired with 12 WAT licences, were issued for the express purpose of cross-subsidising the provision of WAT services. These licences were also not tradable.<sup>233</sup>

4.4 A detailed timeline of events pertaining to the Nexus scheme can be found in Appendix 7.

4.5 A table outlining the distribution of the Nexus licences, as outlined in the 2007 Deloitte Touche Tohmatsu review, can be found in Appendix 8.

#### **Transfer of the Nexus scheme licences**

4.6 While the Nexus scheme licences were originally not transferable, the scheme parameters were changed by the *Passenger Transport Act 1990*. Mr Wielinga explained ‘there seemed to be a perception out there that it was not possible to transfer nexus licences. That was not correct: The 1990 legislation that was put in place allowed that to happen’.<sup>234</sup>

4.7 The NSW Taxi Council said that no Nexus licences were traded until 1995, when the then Ministry of Transport advised that the Nexus licences could be transferred between authorised networks:

During July 1995, the Department of Transport wrote to the NSW Taxi Council confirming that permission was granted to allow nexus licences (along with the linked WAT licence) to be transferred from one authorised network to another. By ensuring transfers could only occur between authorised taxi networks the same accountability and monitoring standards could remain in place.<sup>235</sup>

4.8 Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, outlined his understanding of the transfer of the Nexus licences between networks:

My involvement came about as a result of the failure of a very important group of people operating cabs in Sydney called the RSL group that found themselves in financial trouble in about 1991 ... I have seen a document where RSL approached the Ministry of Transport at that time or the Department of Transport as it was known at that particular time and the application by RSL Cabs for the transfer of nexus plates was rejected by the then Minister.<sup>236</sup>

4.9 Mr Kermode explained that the transfers followed the appointment of an administrator to RSL Cabs:

...we received advice from the ministry or the department in 1995 - that was advice to the industry - that the Minister had approved the transfer of nexus licences under some very specific conditions and those conditions were provided to the taxi industry

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<sup>233</sup> Submission 45, NSW Transport and Infrastructure, p 6

<sup>234</sup> Mr Les Wielinga, Director General, NSW Transport and Infrastructure, Evidence, 2 February 2010, p 20

<sup>235</sup> Submission 42, NSW Taxi Council, p 11

<sup>236</sup> Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, Evidence, 31 March 2010, p 7

generally through the New South Wales Taxi Council and made known to the industry throughout Sydney ... When the transfers did occur the ministry or the department ... applied some pretty heavy transfer taxes on those units at that point in time.<sup>237</sup>

- 4.10** The payment of substantial taxes to the Government on the transfer of the Nexus scheme licences was further noted by the NSW Taxi Council:

The trading of these licences generated public revenue as the government charged substantial transfer tax on the transfers. The tax was levied on the basis of the deemed market value of licences that did not have the nexus restrictions on them, which was higher than the value of nexus licences. Furthermore, transfer tax on these licences was determined on a sliding scale between 25% and 2.5% based on the length of time that had elapsed since the licence was issued.<sup>238</sup>

### **Perceived failures of the Nexus scheme**

- 4.11** Some Inquiry participants felt that the original objective of the Nexus licences to provide improved wheelchair accessible taxi services has not been achieved. Mr Michael Jools, President, Australian Taxi Drivers Association, described the original intention of the Nexus scheme:

The purpose of the issue of the nexus plates was a laudable notion to create an investment fund, a backup fund for the benefit of disadvantaged users in New South Wales. It was intended that by giving two sets of plates to networks they would use the financial benefit from leasing those plates out and whatever other benefit could be obtained from the unrestricted plates to subsidise the development and the costs, which are greater, of a WAT vehicle, a wheelchair accessible taxi ...<sup>239</sup>

- 4.12** Mr Geoffrey Coates noted that while ‘the original issue of ‘Nexus’ Plates was justified, today, the control/ownership of same is very questionable i.e. the original intention of issue has disappeared’.<sup>240</sup>
- 4.13** The NSW Taxi Drivers Association observed that ‘Nexus plates are a longstanding scandal of the taxi industry plaguing its accountability, integrity and public reputation and that of the associated parties. It is scandalous that the original intent of supporting WATS services to the most vulnerable of the community, was subverted’.<sup>241</sup>

<sup>237</sup> Mr Kermode, Evidence, 31 March 2010, pp 7-8

<sup>238</sup> Submission 42, pp 11-12

<sup>239</sup> Mr Michael Jools, President, Australian Taxi Drivers Association, Evidence, 3 February 2010, pp 29-30

<sup>240</sup> Submission 7, Mr Geoffrey Coates, p 1

<sup>241</sup> Submission 46, NSW Taxi Drivers Association, p 4

**4.14** Mr Jools shared his view with the Committee that although the holders of the Nexus licences have gained significant financial benefits from those licences, no benefits have accrued to the industry as a whole:

... currently there is no benefit that flows from the advantage gained by the networks operating some 92 unrestricted plates, leasing them out for up to \$30,000 a year, which is a very tidy sum of money, and also in many cases leasing out the WAT plates that are on the road for a lesser but still substantial amount. Those moneys are not being applied to the benefit of the industry. They are going to the so-called owners of those plates whose ownership has now been legitimised by Government saying that we will forget about irregularities that may have occurred and, worse, that we will not do anything about it in the future.<sup>242</sup>

**4.15** The NSW Taxi Council suggested that the recipients of the Nexus licences had in fact paid for the licences:

Networks that were issued nexus licences effectively paid for this asset by agreeing to bear the additional costs of providing wheelchair accessible taxi services... Networks that have since acquired nexus licences and their pairs and paid substantial amounts of transfer tax on their acquisition have also paid 'full price' for these assets.<sup>243</sup>

**4.16** Mr Kermode observed that any financial benefits that accrued to holders of the Nexus licences were necessary to ensure that WAT services were provided:

... the costs involved and the costs that were borne by the taxi industry to provide this essential service to the community were absolutely astronomical. I do not know how some of them survived - and some of them did not survive - as a result of the burden of those costs. Offsetting it with the advent of the wheelchair-accessible licences was only a fair recognition of the Government for a service that has been very well provided, and provided an essential service to the community.<sup>244</sup>

**4.17** Mr Kermode noted that the profits made by the Nexus scheme licences 'are perfectly justified. I do not believe there is any sin in making a profit'.<sup>245</sup>

### **The Deloitte Touche Tohmatsu reviews of the Nexus scheme**

**4.18** In September 2005, the NSW Government engaged Deloitte Touche Tohmatsu to examine and clarify the circumstances surrounding the administration and operation of the Nexus scheme. The initial review was completed in February 2007 and, together with a revised review, made publicly available in August 2009. The reviews made the following findings:

- permission to transfer these licences was legitimate - while the original Nexus scheme licences were not transferable, the introduction of the *Passenger Transport Act 1990* meant that the Director General was no longer permitted to refuse a

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<sup>242</sup> Mr Jools, Evidence, 3 February 2010, p 30

<sup>243</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, p 5

<sup>244</sup> Mr Kermode, Evidence, 31 March 2010, p 9

<sup>245</sup> Mr Kermode, Evidence, 31 March 2010, p 10

transfer application to an accredited operator, with any pre-existing licence conditions overridden. Any ‘windfall gain’ from transfers were therefore sanctioned by law

- there is no basis for payment of back fees or compensation by licence holders
- while past poor administration and record keeping was noted, no evidence of corrupt conduct relating to the Nexus scheme was found.<sup>246</sup>

**4.19** Subsequent to these reviews, the ongoing status of the Nexus scheme licences was clarified by the *Passenger Transport Amendment (Taxi Licensing) Act 2009*, according to which Nexus licences are able to operate under the following conditions:

- both the standard and WAT licences must be kept in operation
- the standard and WAT licences can only be transferred as a pair to an authorised network which is an accredited operator.<sup>247</sup>

### **Continuing concerns about the Nexus scheme**

**4.20** Inquiry participants expressed deep concerns about the Nexus scheme, despite the Deloitte Touche Tohamatsu review that made no findings of impropriety, and the clarification of the licence conditions under the *Passenger Transport Amendment (Taxi Licensing) Act 2009*.

**4.21** The NSW Ombudsman expressed concern about the length of time that it took for the Deloitte Touche Tohmastu reviews of 2007 and 2009 to be made public:

While those reports identify significant and serious problems with the scheme, it took two years from receipt of the first report by the then Ministry of Transport before action was taken to progress its recommendations. This was in an environment where an awareness of problems with the nexus scheme predated the first Deloitte report.<sup>248</sup>

**4.22** The Australian Taxi Drivers Association felt that the Deloitte Touche Tohmastu reviews did not sufficiently address the financial benefits that had accrued to the networks who were the recipients of the free Nexus licences:

What was not addressed, therefore, was the financial advantage obtained, in whatever forms, by the Networks upon whom some 92 sets of unrestricted taxi plates and WATs plates had been bestowed. There was comment by the Minister that the arrangements would be put in order, and that no retrospective requirements would be placed on those vehicles/plates. The not insignificant benefit obtained over so many years of leasing out the unrestricted plates, and of the relatively few matching WATs plates appears to be of neither interest nor concern.<sup>249</sup>

<sup>246</sup> Submission 45, p 6

<sup>247</sup> Submission 45, p 7

<sup>248</sup> Submission 3, NSW Ombudsman, p 2

<sup>249</sup> Submission 32, Australian Taxi Drivers Association, p 6

- 4.23 The Australian Taxi Drivers Association continued to say that the financial benefits obtained have been ‘estimated at between three and four million dollars a year being lease fees and network fees charged by the Networks to operators of both the unrestricted and the WATS taxis involved in these arrangements. Over the years the accumulated benefits would be close to one hundred million dollars’.<sup>250</sup>

#### The future of the Nexus scheme licences

- 4.24 The 2007 review conducted by Deloitte Touche Tohmatsu noted that if the Nexus licences were cancelled, there could be a number of potential repercussions for the industry, including:

- impacts on the continued ability to provide both standard and WAT services
- impacts on lessees and operators
- equity concerns, especially for those who had purchased Nexus licences when the licences become transferable.<sup>251</sup>

- 4.25 The 2009 review conducted by Deloitte Touche Tohamatsu identified seven options for NSW Transport and Infrastructure to consider in determining the future of the Nexus scheme licences. The seven options were:

- **Option One** – licence conditions revert to their status prior to the introduction of the *Passenger Transport Act 1990*, meaning that the licences are non-transferable
- **Option Two** – abolish the linked relationship between the standard and WAT licences; upgrade licences to standard, unrestricted licences; revert to non-transferability with no ‘upgrade fee payable’
- **Option Three** – clarify the conditions relating to the operation of the Nexus licences, retain transferability, no fee payable by holders of the Nexus licences
- **Option Four** – abolish the linked relationship between the standard and WAT licences; upgrade licences to standard, unrestricted licences in return for the payment of an ‘upgrade fee’; retain transferability
- **Option Five** – networks in possession of Nexus licences to choose between Option Two and Option Four
- **Option Six** – networks in possession of Nexus licences to choose between Option Three and Option Four
- **Option Seven** – abolish Nexus licences and convert the licences to unrestricted ordinary licences.<sup>252</sup>

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<sup>250</sup> Submission 32, p 6

<sup>251</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Les Wielinga, Director General, NSW Transport and Infrastructure, p 2

<sup>252</sup> Deloitte Touche Tohmatsu, *Administration of the Nexus Scheme*, Final Report, August 2009, pp 9-17

**4.26** The 2009 Deloitte Touche Tohmatsu review acknowledged that ‘while each option provides greater clarity than the status quo, it’s likely none can satisfy all parties given stakeholders’ inconsistent understanding of the conditions and history of the Nexus Scheme’.<sup>253</sup>

**4.27** NSW Transport and Infrastructure elected to implement Option Three. Accordingly, the *Passenger Transport Amendment (Taxi Licensing) Act 2009* clarified the operational status of the Nexus licences. NSW Transport and Infrastructure indicated that following these changes there is no intention to remove the Nexus scheme licences from operation, explaining that:

There is, arguably, no public benefit in removing these licences, and hence WATs, from the fleet. In order to meet the objective of encouraging gradual growth in the taxi fleet to meet passenger demand, and continue improving services to WAT passengers, Government has determined to keep all ‘Nexus’ licences and paired WATs on the road and providing services.<sup>254</sup>

**4.28** Although existing Nexus scheme licences are permitted to continue to operate, NSW Transport and Infrastructure advised that no further Nexus licences will be issued because:

... other initiatives, such as the \$1,000 WAT licence fee (introduced by this Government in 1996) and the WAT driver incentive payment scheme, have provided alternative ways of achieving objectives to encourage growth in the WAT fleet and improvement in WAT services.<sup>255</sup>

**4.29** However, some participants were not satisfied with this approach and felt that further action should be taken to redress the situation. For example, Mr Jools suggested that the paired Nexus licences should be recalled and re-issued as part of a new tender process:

... there is an opportunity for the Government to recall all of those 194 plates or those 92 times 2, which is 180-odd plates, and in place of or in addition to any tenders that may be called in the future put those plates out ... The 92 should go out for tender as unrestricted plates and probably around 75 of the wheelchair plates that are actually on the road should be allocated again to individual owner-drivers.<sup>256</sup>

**4.30** The NSW Taxi Drivers Association said that ‘it is reprehensible that the Minister may have recently declared an ‘amnesty’ regarding the ownership of these plates. Such an ‘amnesty’ should be repealed and the revenues redirected to their original purpose of WATS services’.<sup>257</sup>

**4.31** Mr Jools suggested that the revenues earned by the Nexus licences could help to subsidise the cost of the Taxi Transport Subsidy Scheme:

There is kicking around what is estimated at I think about \$20 million a year foregone revenue. We would suggest that that would pay for \$20 a pick-up from the wheelchair

<sup>253</sup> Deloitte Touche Tohmatsu, *Administration of the Nexus Scheme*, Final Report, August 2009, p 16

<sup>254</sup> Submission 45, p 7

<sup>255</sup> Submission 45, p 7

<sup>256</sup> Mr Jools, Evidence, 3 February 2010, p 31

<sup>257</sup> Submission 46, p 5

accessible taxis and that is what it was intended for. That is why, as an organisation, we are not going to simply put the nexus plates behind us.<sup>258</sup>

- 4.32** Ms Jenny Roberts, General Manager, Lime Taxis, said that ‘regarding nexus plates, I would like to see the door shut on it’.<sup>259</sup> Ms Roberts continued:

Everyone was saying that they were given to the networks for free. If the Government made that decision at the time and it was incorrect, it should correct it. It should charge them for the plates ... There are other things out there that we need to fix and I do not know what nexus plates will do for anyone in this industry ... If the Government does not charge networks for nexus plates, as a network I would like some free nexus plates ... We should then close the door and go forward.<sup>260</sup>

- 4.33** Mr Adam Johnston, a user of wheelchair accessible taxis, commented that the scheme should be ‘grandfathered’:

I do not think it was a good idea and it has perverted the market, for want of a better word. It was unnecessary, but it has happened and it should be grandfathered. From now on, if at all possible, the plates should be dealt with as a marketable commodity. Perhaps they should be publicly auctioned. It should certainly be a transparent and market-focused approach.<sup>261</sup>

- 4.34** However, the NSW Taxi Council indicated that it ‘does not think the government has any grounds for re-claiming licences it has issued provided the licence is being operated in accordance with the Act’:

Unless there is evidence suggesting that holders of such licences have done something wrong, it seems there are no grounds for forcing current holders to bear the loss of a significant asset. The impact of withdrawing licences would be severe on the individual operators and drivers who are currently relying on these licences for their livelihood.<sup>262</sup>

- 4.35** Mr Dougie Herd, Executive Officer, Disability Council of NSW, acknowledged the difficulties of attempting to address past policy decisions:

I know no more about the mythical nexus plates than anyone else, I have to say. I have read the reports. I understand the audit that was done and the report that was produced that the Ministry has put on its website seems to indicate that in the early days – this is long before my time – there seemed to be some agreements entered into that would not be countenanced today. I do not think we can go back and do anything about that, to be perfectly honest.<sup>263</sup>

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<sup>258</sup> Mr Jools, Evidence, 3 February 2010, p 28

<sup>259</sup> Ms Jenny Roberts, General Manager, Lime Taxis, Evidence, 2 February 2010, p 47

<sup>260</sup> Ms Roberts, Evidence, 2 February 2010, p 55

<sup>261</sup> Mr Adam Johnston, Evidence, 4 February 2010, p 45

<sup>262</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Ramshaw, p 4

<sup>263</sup> Mr Dougie Herd, Executive Officer, Disability Council of NSW, Evidence, 3 February 2010, p 6

*Committee comment*

- 4.36** The Committee notes the findings of the Deloitte Touche Tohmatsu reviews of the Nexus scheme licences and the subsequent changes that were made to legislation following the reviews.
- 4.37** The Committee recognises that significant financial benefits have accrued to the recipients of the Nexus scheme licences over the years of their operation. However, the Committee believes that measures such as withdrawing the Nexus licences from operation may remove valuable vehicles from the limited wheelchair accessible taxi fleet.
- 4.38** In addition, the length of time since the introduction of the Nexus licences, and the subsequent transfers of ownership of the Nexus licences, makes it difficult to establish who should bear responsibility for redressing the outcomes of past policy decisions.
- 4.39** While it is not practical to undo the ineffective implementation of past policy decisions, it is essential that the future regulatory framework for the NSW taxi industry is transparent, equitable and accountable. The Committee considers that the clarification of the operational status of the Nexus licences under the *Passenger Transport Amendment (Taxi Licensing) Act 2009* provides a clearer understanding of the conditions now attached to the Nexus licences, and is a significant step towards greater transparency in the industry as a whole. Given the clarification of the operating conditions, the Committee believes that no further action is required in respect of the Nexus scheme licences.

**Recommendation 7**

That NSW Transport and Infrastructure take no further action in respect of the Nexus scheme licences.

- 4.40** The recommendations made in other areas of this report will further enhance the transparency and accountability of the NSW taxi industry.

**Sydney Metropolitan Transport District taxi networks**

- 4.41** One of the central areas discussed throughout the Inquiry was the Sydney-based taxi networks that provide phone booking, dispatch and safety services to their members. These networks are an integral component of the NSW taxi industry and as such have a great deal of influence on the services that are provided.
- 4.42** As outlined in Chapter 2, there are 12 taxi networks in Sydney Metropolitan Transport District. The *Passenger Transport Act 1990* requires that accredited taxi operators must be affiliated with a taxi network.<sup>264</sup> NSW Transport and Infrastructure said that this is common in all jurisdictions:

All jurisdictions have accreditation/authorisation schemes covering operators/drivers and generally have structures - like networks in NSW - which are responsible for

<sup>264</sup> Submission 45, p 2

operating booking services and/or ensuring that minimum performance standards for services provided by affiliated cabs are met.<sup>265</sup>

**4.43** The NSW Taxi Council explained the role that the networks play in the industry:

Taxi networks must be authorised, provide a booking service that receives bookings and despatches bookings to taxi-cabs and, monitor and report against Network Standards in relation to: telephone answering, service delivery (pick up times), and instances of 'no car available'. The standards also stipulate that networks have responsibility for ensuring compliance with a substantial list of other requirements.<sup>266</sup>

**4.44** NSW Transport and Infrastructure indicated that 'networks also play an important role in helping to ensure driver and passenger safety (such as the provision of a duress alarm service) and they are required to handle customer complaints and lost property services'.<sup>267</sup>

**4.45** The NSW Taxi Council said that networks compete to attract taxi operators and drivers to use their services:

A network's main customers are taxi operators and through them, taxi drivers. A network's viability depends on its ability to attract operators whose survival is in turn dependent on their ability to attract drivers to their taxis.<sup>268</sup>

**4.46** The Taxi Taskforce Report 2005 identified several ways that networks compete for market share:

- price differentiation for network connection fees
- method of booking and dispatch
- provision of premium services
- brand loyalty based on geography or company history
- geographical preference for serving specific suburban or city area
- product packaging, such as providing insurance or other services.<sup>269</sup>

**4.47** However, the NSW Taxi Council did note a level of cooperation between networks:

Notwithstanding the competition for customers, authorised networks co-operate with each other to maximise the quality of service provided to customers. The centralised Zero200 booking service for WATs is one example where authorised networks have agreed to co-operate to ensure the best possible service is provided. Authorised networks also co-operate with each other by offloading and accepting non-WAT

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<sup>265</sup> Submission 45, p 12

<sup>266</sup> Submission 42, p 1

<sup>267</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Les Wielinga, Director General, NSW Transport and Infrastructure, p 15

<sup>268</sup> Submission 42, p 32

<sup>269</sup> NSW Ministry of Transport, *Taxi Taskforce Report*, December 2005, p 18

bookings to and from each other in situations where they know another network is better able to provide the service.<sup>270</sup>

**4.48** The NSW Taxi Council also stated the benefits in having a small amount of networks:

The fewer networks there are to police the easier it is for the government to control the industry and the easier it is for the networks to work together in ensuring proper monitoring and regulatory compliance of their operators and drivers.<sup>271</sup>

**4.49** The NSW Taxi Council explained how networks are held accountable for their performance:

Competition between networks for customers means that market forces play a role in holding networks accountable ... Taxi operators and taxi drivers can hold networks accountable for maintaining service standards demanded by the public by exercising their choice of which network to belong to. NSW T&I hold authorised networks accountable for service delivery and reporting through the established network standards and the requirement for authorised networks to provide reports of Key Performance Indicators (KPI) each month.<sup>272</sup>

**4.50** The networks play a role in ensuring that operators and drivers comply with the requirements of the regulatory framework:

... networks are held accountable for not only their own actions but also for supervising and monitoring their customers and/or members who are operators and drivers. Networks have a clear responsibility to ensure regulatory compliance by the other tiers of the industry. In monitoring compliance the networks have accepted a role as a regulatory agent which is critical to any regulated industry.<sup>273</sup>

**4.51** The role of the networks in monitoring compliance is discussed further in Chapter 9.

### **Relationships between networks**

**4.52** The relationships between networks were of particular concern to Inquiry participants. Mr Christopher Brown, Managing Director, Tourism and Transport Forum, described the relationships as ‘cartels, powerful interests and even collusive practices that have led to negative outcomes for both passengers and drivers’.<sup>274</sup>

**4.53** Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, explained that this perception of collusion may have developed because while there are 12 networks in the Sydney region, ‘there are in effect only five semi-independent networks: Combined Communications Network (CCN, owned by the publicly listed company

<sup>270</sup> Submission 42, p 33

<sup>271</sup> Submission 42, p 33

<sup>272</sup> Submission 42, p 27

<sup>273</sup> Submission 42, p 32

<sup>274</sup> Mr Christopher Brown, Managing Director, Tourism and Transport Forum, Evidence, 4 February 2010, p 2

Cabcharge), Premier, Legion, Manly, RSL and Lime', because of the relationships between networks.<sup>275</sup>

**4.54** Dr Abelson highlighted the particularly close relationships between three of these networks:

... there are large inter-company shareholdings running to tens of millions of dollars between Cabcharge, Premier and Legion Cabs (the three largest networks) and close personal (directorial) relationships between Cabcharge and Premier ... It is hard to see how the largest networks would have been competing in these circumstances ...<sup>276</sup>

**4.55** Mr Peer Lindholdt, editor of *OzCabbie* magazine, observed that the major networks manage a large proportion of taxi plates in Sydney:

It is estimated that 70% of Sydney plates are managed by CCN and Premier Cabs. Each manages hundreds on behalf of investors and retired drivers and act as brokers selling them and leasing them out. In addition they of course manage the plates they have obtained from the MoT themselves, be that Nexus or other types of plates.<sup>277</sup>

**4.56** Dr Abelson suggested that this market dominance may be the result of policy decisions made by NSW Transport and Infrastructure:

... believe that the industry is better monitored if they can deal with a few powerful responsible agencies, which happen to be the networks. Secondly, they also have the view that public transport obligations mean that networks should be able to provide services to anybody in Sydney at any time and the only way that can happen is if you have operators affiliated to one or two major networks. I think, and most economists would think, that would be an error of thinking and that you actually get better public transport if you have a lot of competing networks and operators, far more services in the suburbs, than if you have what has become a virtual monopoly, in my view, in the sense that the three major companies are very closely related.<sup>278</sup>

**4.57** Mr Brown noted that although these networks may not own a large number of taxi licences, there is nonetheless 'significant levels of effective control':

... be it through leasing, networks, radios, you name it. It is not all through the big guys owning every cab but effectively controlling most cabs ... I use the word "control" rather than "ownership" because I think it is effective control through a range of measures.<sup>279</sup>

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<sup>275</sup> Submission 30 - Appendix A, Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, *Economic Evaluation of Taxi Industry Reform in Sydney*, January 2010, p 4

<sup>276</sup> Submission 30, p 3

<sup>277</sup> Submission 49, Mr Peer Lindholdt, p 5

<sup>278</sup> Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, Evidence, 3 February 2010, p 44

<sup>279</sup> Mr Brown, Evidence, 4 February 2010, p 8

**4.58** The NSW Taxi Drivers Association also commented on the concentration of industry control that seems to rest with the networks:

The (regulatory) structure of the NSW taxi industry is, in principle, reasonable. At the same time the NSW TDA would submit most strongly that the unofficial control of the taxi industry, by private influences, to their benefit, is severely distorting and corrupting. In addition there are strong arguments for major reforms of aspects of the taxi industry for the benefit of drivers, operators, networks and the travelling public.<sup>280</sup>

**4.59** In addition to the requirement that all operators must be attached to a network, Dr Abelson identified three ways in which ‘the networks (and Cabcharge in particular) enjoy further actual or potential monopoly powers’:

- networks provide the in-house facilities for all taxi fit-outs with communication devices and liveries
- networks can direct operators towards specific insurance companies, or organise the insurance for the operators
- nearly all taxis in Sydney are fitted with a Cabcharge EFTPOS device.<sup>281</sup>

**4.60** Dr Abelson suggested that it would be preferable for a greater number of taxi networks to exist:

The more identifiable and competitive taxi companies are in the market, we get a better personal and customer-oriented service and improved public transport service. In addition, taxi operators or drivers would have a significant incentive to improve productivity. They would not have to pay access network fees ... I suggest driver conditions would be hugely enhanced if they were working for smaller companies with which they had some form of identity.<sup>282</sup>

### **Requirements to be an authorised network**

**4.61** As noted in Chapter 2, there are several requirements that must be met to operate as an authorised network. Inquiry participants questioned the necessity of some of these requirements, particularly the requirement that a network must be able to provide services across the Sydney metropolitan area.

**4.62** For example, Dr Abelson suggested that the requirement that a network must have ‘the capacity to provide 24/7 coverage of the metropolitan area’ was an unrealistic expectation:

... the reality is that the networks cannot do this - they often off-load requests. Moreover, anecdotal evidence is that the taxi services in middle and outer ring suburbs are poor or worse. The metropolitan area would be much better serviced by large numbers of small and medium taxi services many of which focused on providing a strong local service.<sup>283</sup>

<sup>280</sup> Submission 46, p 7

<sup>281</sup> Submission 30 - Appendix A, p 5

<sup>282</sup> Dr Abelson, Evidence, 3 February 2010, p 42

<sup>283</sup> Dr Abelson, Evidence, 3 February 2010, p 42; Submission 30, p 5

- 4.63** Dr Abelson further observed that the requirement that all operators be connected to a network means that ‘operators cannot provide independent or competitive service. They essentially cannot develop a brand. They cannot develop goodwill. It is really a major deterrent to entry into the industry’.<sup>284</sup>
- 4.64** Ms Roberts advised of the difficulties that Lime Taxis had faced in trying to establish itself as a viable network:

... it has been really, really hard. It has not been easy ... Of course, numbers matter in the taxi industry. You cannot afford to run a call centre and a fleet if you have just got 75 taxis on the road. It costs money to have people answering phones and monitoring alarms and complying. Our alternative would be to bureau with another network and cut the cost of having a call centre. It is not viable with 75 cars. There is no way of basically supporting the network. You are just robbing more plates off maybe another smaller network. It is very hard to get the plates through the larger network, of course: they have already established. They have 50 years on you.<sup>285</sup>

### **Regulatory oversight of networks**

- 4.65** Inquiry participants were concerned that the regulatory framework does not provide sufficient oversight of the performance of networks. The NSW Taxi Drivers Association said that ‘the current regulations are substantially unfair and ineffective. They are strongly concerned with and oriented against drivers and operators while not effectively holding Networks and their performance to account’.<sup>286</sup>
- 4.66** Additionally, Mr Ian Faulks noted that concerns exist about the perceived close relationship between the networks and other elements of the industry:

Of major interest are the complicated and inter-related commercial relationships within the taxi industry, spanning the taxi co-operatives, the Cabcharge system, the Taxi Council and the Taxi Industry Association, and the impact of these commercial relationships on industry representation and regulation.<sup>287</sup>

- 4.67** Mr Faruque Ahmed, taxi driver, suggested that ‘taxi networks are not accountable to anyone, including the Government’.<sup>288</sup> Mr Ahmed continued:

There are no regulations or laws that compel these networks to provide better service ... Taxi networks must be accountable for their actions and if they fail to provide a proper service to customers and the drivers, if they fail to provide a safe workplace and safe practices ... There must be clear unambiguous law to make sure the taxi

<sup>284</sup> Dr Abelson, Evidence, 3 February 2010, p 41

<sup>285</sup> Ms Roberts, Evidence, 2 February 2010, pp 47-48

<sup>286</sup> Submission 46, p 4

<sup>287</sup> Submission 53, Mr Ian Faulks, Honorary Associate, Department of Psychology, Macquarie University, pp 3-4

<sup>288</sup> Mr Faruque Ahmed, taxi driver, Evidence, 3 February 2010, p 36

networks provide better service to the travelling public, the drivers and anybody else.<sup>289</sup>

**4.68** The issue of regulatory oversight is examined in greater detail in Chapter 9.

### **Financial aspects of networks**

**4.69** Inquiry participants noted the financial aspects of the taxi networks, both in regard to network earnings and the costs associated with being a member of a network.

**4.70** Dr Abelson estimated that currently ‘the networks earn about \$35 million a year in network fees plus fees from vehicle conversions and maintenance and from brokerage on leases and insurances’.<sup>290</sup>

**4.71** The NSW Taxi Drivers Association observed that an increase in the number of taxi licences available will have a corresponding effect on the revenue earned by networks:

The river of gold flowing to networks increases proportionately with the size of their fleet of (taxi operator) subscribers. Thus the more taxi plates that are issued the higher will be the revenue of the taxi networks, regardless of what volume of trade each taxi ever gets to handle ... Many groups of taxi drivers/operators have pleaded with government to be relieved of the government enshrined obligation to affiliate with a network. Only if that prospect is again raised will there be any real pressure brought to bear upon networks to attract taxi operators and cater to the needs of drivers and operators.<sup>291</sup>

**4.72** Inquiry participants highlighted the costs for operators and drivers from being attached to a network. The Independent Pricing and Regulatory Tribunal noted the difficulty in establishing the level of fees charged by the various networks:

There is limited competition in the market for network services. Network fees are unregulated and are not publicly reported and to date we have been unable to determine whether or not network costs are higher than would be considered efficient in a competitive market.<sup>292</sup>

**4.73** Mr Jools suggested that ‘the network fees, which incidentally are remarkably close and consistent amongst Sydney Metropolitan networks of widely differing sizes, are not transparent’.<sup>293</sup>

<sup>289</sup> Mr Ahmed, Evidence, 3 February 2010, pp 36-37

<sup>290</sup> Submission 30 - Appendix A, p 13

<sup>291</sup> Submission 46, p 13

<sup>292</sup> Submission 38, Independent Pricing and Regulatory Tribunal, p 2

<sup>293</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Michael Jools, President, Australian Taxi Drivers Association, p 2

- 4.74 Mr Cockburn advised that in Newcastle, the connection fee for the Cabcharge network is \$715 every four weeks:

... the \$715 is a set fee. In fact, it was more than that but it was reduced not long after Cabcharge took over the operation of Newcastle taxis. Not long after that it started charging us for uniforms.<sup>294</sup>

- 4.75 Mr Cockburn outlined the additional costs associated with the 'requirement to wear what they call a standard uniform':

There was a sheet put out that listed the cost of each item, like a shirt, a blouse, a pair of trousers or a pair of shorts and things like that ... But I think a shirt was approximately \$48, from memory, and there were trousers. Then you had to pay \$15 for a Newcastle Taxi logo embroidered onto the clothes.<sup>295</sup>

- 4.76 Mr Mollenhauer explained some of the other costs that operators and drivers incur:

For example, to adjust an electromechanical meter, like a Schmidt meter, takes approximately 15 minutes. They have to take it out of the car and they have to put in a chip and put it back in the car. It takes about 15 minutes. A typical charge is a bit over \$100. A cab charge meter is updated electronically with virtually a text message sent by radio, and we still get charged \$80 for that. Why – for receiving a text message? ... We have to buy meters and cameras. I can buy an infrared or CCD camera for \$50 at Tandy, but if I buy it through a network, it costs \$500. Why?<sup>296</sup>

### The industry influence of Cabcharge

- 4.77 Several Inquiry participants were particularly concerned about the role that Cabcharge plays in the NSW taxi industry. Cabcharge was established in 1976 by Mr Reginald Kermode, and was listed on the Australian Stock Exchange in December 1999.<sup>297</sup>

- 4.78 Cabcharge owns a number of subsidiary companies that provide services to the taxi industry, including Taxi Combined Services, which is the largest taxi company in Australia.<sup>298</sup> Cabcharge also owns Combined Communications Network (CCN), which operates Australia's largest fleet of taxis, with more than 3,000 vehicles and 11,000 drivers. CCN also provides specialist services for owners, operators and drivers, including insurance, booking and dispatch, smash repairs and training.<sup>299</sup>

<sup>294</sup> Mr Reginald Cockburn, Owner-operator, Newcastle Taxis, Evidence, 4 February 2010, p 24

<sup>295</sup> Mr Cockburn, Evidence, 4 February 2010, p 26

<sup>296</sup> Mr Ernie Mollenhauer, Delegate Nominee, NSW Taxi Drivers Association, Evidence, 2 February 2010, p 27

<sup>297</sup> Cabcharge, *About Us* <<http://www.cabcharge.com.au/company/default.aspx#aboutus>> (accessed 10 December 2009)

<sup>298</sup> Cabcharge, *Business Structure* <<http://www.cabcharge.com.au/company/default>> (accessed 10 December 2009)

<sup>299</sup> Combined Communications Network, *About Us* <[http://www.ccnetwork.com.au/about/About\\_CombinedCommunicationsNetwork.html](http://www.ccnetwork.com.au/about/About_CombinedCommunicationsNetwork.html)> (accessed 10 December 2009)

- 4.79** Cabcharge owns several other taxi companies, including South Western Cabs, Silver Service, ABC Cabs, Newcastle Cabs, 131 008 Computer Cab, and Yellow Cabs of Sydney and the Zero200 booking service.<sup>300</sup>
- 4.80** In addition, the Cabcharge electronic payment system is available in over 95 per cent of Australian taxis, limousines and water taxis.<sup>301</sup> In answers to question on notice, Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, advised that in NSW, the percentage of Cabcharge EFTPOS system installed in taxis has grown from 75 per cent in 2000, to 91 per cent as at March 2010. This growth means that, out of the 6561 taxis in the NSW fleet in March 2010, there are 5963 Cabcharge EFTPOS terminals.<sup>302</sup> The Committee notes that some taxis may have more than one EFTPOS terminal.
- 4.81** As well as accepting Cabcharge charge cards, the Cabcharge EFTPOS system accepts major credit and debit cards. A ten percent surcharge, plus GST, is applicable on all card transactions.<sup>303</sup> The surcharge is discussed in Chapter 6.
- 4.82** Cabcharge is also involved in administering the Taxi Transport Subsidy Scheme (TTSS). All TTSS dockets are processed through Cabcharge, with Cabcharge invoicing NSW Transport and Infrastructure on a monthly basis before subsequently reimbursing operators and networks.<sup>304</sup> This scheme is discussed in Chapter 8.
- 4.83** Mr Kermode noted the benefits that the Cabcharge electronic payment system has provided to passengers, in particular to corporate customers:

I think the uniqueness of the Cabcharge system has been something that has played to the advantage of a lot of people and I shudder to think that if you removed Cabcharge tomorrow out of the taxi industry of just how people would operate their businesses at all ... one of the unique features of Cabcharge has been that it can be used only for taxi travel and cannot be misused for other purposes. That has been demonstrated to us very clearly over the years, that people who watch their money very carefully prefer the Cabcharge system.<sup>305</sup>

<sup>300</sup> Combined Communications Network, *About Us* <[http://www.ccnetwork.com.au/about/About\\_CombinedCommunicationsNetwork.html](http://www.ccnetwork.com.au/about/About_CombinedCommunicationsNetwork.html)> (accessed 10 December 2009)

<sup>301</sup> Cabcharge, *Annual Report – 2009*, p 6

<sup>302</sup> Additional answers to questions on notice taken during evidence 31 March 2010, received on 14 May 2010, Mr Reg Kermode, Chairman and Chief Executive Officer, Cabcharge Australia, Annexure A

<sup>303</sup> Cabcharge, *About Us* <<http://www.cabcharge.com.au/benefits/default>> (accessed 10 December 2010)

<sup>304</sup> NSW Transport and Infrastructure, *How will the Wheelchair Accessible Taxi Driver Incentive Payment Operate* <[www.transport.nsw.gov.au/taxi/wheelchair-incentive-trial.html](http://www.transport.nsw.gov.au/taxi/wheelchair-incentive-trial.html)> (accessed 17 February 2010)

<sup>305</sup> Mr Kermode, Evidence, 31 March 2010, p 6

**4.84** Mr Paul Fletcher, taxi driver, felt that Cabcharge was a positive stakeholder in the industry:

... as a taxi driver and owner, I believe Cabcharge has been great for the business and its customers: It's just not fashionable to say so ... A monopoly, as is so often stated, Cabcharge is not. There are six other similar companies that I know of, all operating Australia wide. I can choose to use any of them but I find Cabcharge the most convenient.<sup>306</sup>

**4.85** However, most Inquiry participants expressed concern about the extent of Cabcharge's involvement in the taxi industry. Dr Abelson observed that 'Cabcharge controls over 60% of the taxis on the Sydney streets'.<sup>307</sup> Dr Abelson further noted the 'close management and financial relations between Cabcharge, Premier and Legion taxi services ... Between them, the Cabcharge, Premier and Legion networks control about 90% of the taxi operators (and taxis) in Sydney'.<sup>308</sup>**4.86** Mr Lindholdt described Cabcharge as the 'dominant player' in the taxi industry:

When holding an inquiry into the taxi industry it is impossible to exclude Cabcharge as it is the dominant player and as such has considerable influence ... Besides being the largest taxi network in the country, its fare payment system is an integral part of the whole industry.<sup>309</sup>

**4.87** Mr Johnston was another Inquiry participant who expressed concern about the wide reach of Cabcharge in the NSW taxi industry:

Given what I have read about it – and all the information is on the public record – I have concerns about a company that seems to have control of an industry at one end, as in plates, and at the other end of how we pay for transport and the use of Cabcharge dockets.<sup>310</sup>

**4.88** Mr Brown commented on the high degree of involvement that Cabcharge has in many facets of the taxi industry:

... we have some difficulty understanding the labyrinthian processes around taxi industry ownership. However, I can guarantee that Cabcharge lurks at the centre - Cabcharge's fingerprints are there somewhere. It is at the epicentre of the taxi industry and where the problems exist because there is not enough competition in that environment.<sup>311</sup>

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<sup>306</sup> Supplementary Submission 44a, Mr Paul Fletcher, pp 2-3

<sup>307</sup> Submission 30 – Appendix A, p 5

<sup>308</sup> Submission 30 – Appendix A, p 5

<sup>309</sup> Submission 49, pp 1-2

<sup>310</sup> Mr Adam Johnston, Evidence, 4 February 2010, p 45

<sup>311</sup> Mr Brown, Evidence, 4 February 2010, p 3

- 4.89 Without commenting on the effect of Cabcharge's involvement, Mr Cockburn outlined the multi-layered involvement of Cabcharge in the Newcastle taxi industry:

Cabcharge is responsible for the overall operation and administration of the taxi network. That involves the booking system, management, complaints management procedures, driver training and anything else that relates to the overall administration and operation of the taxis ...<sup>312</sup>

*Committee comment*

- 4.90 During the Inquiry, it became apparent that some regulations governing the operation of the taxi networks may discourage new networks from entering the industry, thereby entrenching the involvement and influence of existing networks. The Committee also notes with concern the Independent Pricing and Regulatory Tribunal's comments about the limited competition in the market for network services, and the lack of transparency in network fees.
- 4.91 The Committee considers that the requirement that taxi networks must have the capacity to provide coverage to the entire Sydney metropolitan area, seven days a week, 24 hours a day, is a significant barrier to entry for new networks. The Committee believes removing this regulation may result in greater competition between networks through encouraging the existence of smaller networks that provide services to specific geographic areas. A mechanism by which local networks redirect out of area bookings will ensure the entire Sydney metropolitan area continues to be serviced. The existence of a greater number of networks may also encourage additional competition for network services, and allow taxi operator and drivers to connect to taxi networks that best suit their individual requirements.

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**Recommendation 8**

That the Minister for Transport pursue an amendment to the *Passenger Transport Act 1990* to remove the requirement that taxi networks must have the capacity to provide coverage to the entire Sydney metropolitan area, seven days a week, 24 hours a day, and that taxi networks have a redirect mechanism for out of area bookings.

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<sup>312</sup> Mr Reginald Cockburn, Owner-operator, Newcastle Taxis, Evidence, 4 February 2010, p 24

- 4.92** As a means to improving competition in the industry, the Committee considers that NSW Transport and Infrastructure should undertake a thorough review of all of the regulations governing the operation of taxi networks, with a view to removing any barriers to competition that may preclude new networks from entering the taxi industry and encouraging the entry of new taxi networks into the industry, and promoting equity and transparency in regulation.

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**Recommendation 9**

That NSW Transport and Infrastructure undertake a thorough review of all of the regulations governing the operation of taxi networks, with a view to removing any further barriers that may preclude new networks from entering the taxi industry and encouraging the entry of new taxi networks into the industry.

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## Chapter 5 Availability of taxis

This Chapter examines issues relating to the availability of taxis in NSW. The Chapter begins by discussing the availability of taxis in metropolitan and regional areas, including the long-standing issue of the 3 o'clock changeover. The Chapter also considers the booking and dispatch system for taxis, particularly the effectiveness of the current network-based booking system.

### Variations in the availability of taxis

**5.1** An ongoing issue of concern for the NSW taxi industry is the availability of taxis. Inquiry participants indicated that variations in demand and supply exist at different times of the day and across different geographic areas.

**5.2** The NSW Taxi Council noted the damage that is caused to the taxi industry's reputation as a result of the unavailability of taxis:

When issues of taxi availability arise from time to time (for example during peak periods or in difficult to service areas), passenger inability to hire a taxi at random can create unfair perceptions of the entire industry being universally unreliable.<sup>313</sup>

**5.3** Mr Christopher Brown, Managing Director, Tourism and Transport Forum summarised the situation with regard to the availability of taxi services:

If it is raining, if it is between late November and Christmas, if it is changeover time or peak hour, every person on the street will scream about there not being enough cabs on the road. However, at 11.00 a.m. or any time between January and October cabdrivers will say there are too many cabs on the road.<sup>314</sup>

**5.4** The NSW Taxi Council felt that the number of taxis was 'probably about right. We think it is not too far off'.<sup>315</sup> However, the Council acknowledged 'peaks and troughs' in availability:

Obviously there are peaks and troughs in demand throughout the week. I think the answer to your question really is, yes, sometimes there are probably too many and other times there may not be enough. It is a matter of getting the right balance.<sup>316</sup>

**5.5** The view that there needs to be a better usage of the taxis currently available in Sydney was echoed by many of the Inquiry participants. The NSW Taxi Drivers Association said:

Effective taxi and customer services are not simply a function of the number of taxis. This is clearly evidenced in the contrast between, say, Friday and Saturday nights and December taxi shortages (when buses and trains should be running till 4am), compared with numerous taxis twiddling their thumbs on ranks at most other times of

<sup>313</sup> Submission 42, NSW Taxi Council, p 2

<sup>314</sup> Mr Christopher Brown, Managing Director, Tourism and Transport Forum, Evidence, 4 February 2010, p 2

<sup>315</sup> Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, Evidence, 2 February 2010, p 13

<sup>316</sup> Mr Ramshaw, Evidence, 2 February 2010, p 13

day and night. Important parts of the customer service equation are the effective, efficient use of the existing taxi fleet and efficient (reformed) Network booking services.<sup>317</sup>

**5.6** The Australian Taxi Drivers Association similarly noted:

There is a massive excess of cabs in the CBD at non-peak early week times, which a responsible taxi network system could more effectively monitor and smooth out by better job planning, and to be structured as a demand responsive service. Taxis waste half their shift time and mileage. Reducing the vacant time will dramatically improve earnings ...<sup>318</sup>

**5.7** Mr Ted Hirsch, taxi driver, felt that '[t]here are already too many taxis on the road at most times of the day and night. And paltry driver earnings as a consequence'.<sup>319</sup> He continued to say that the issue is not the number of taxis but their efficient use:

Importantly, the existing taxi fleet is clearly and indisputably capable of greatly improved capacity and efficiency in fulfilling public demand for taxi services. From their intimate daily experience and working knowledge taxi drivers will testify that the capacity of the taxi fleet is seriously under utilised and could and should be greatly improved before any thought is given to increases in taxi fleet numbers.<sup>320</sup>

**5.8** In addition to the variations in demand and supply at different times of the day, Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, observed that: '[m]y understanding is that it is far harder to get a taxi in outer suburban areas such as the Northern Beaches or North-West Sydney, to mention but two areas, than in inner city areas'.<sup>321</sup>

**5.9** This problem of geographical variances in availability is particularly acute for users of wheelchair accessible taxis, as discussed in Chapter 7.

**5.10** Mr Ian Anderson suggested that taxi networks could specialise in serving specific geographic regions, rather than attempting to maintain a service across the entire Sydney metropolitan area:

Operationally as Sydney is such a huge place we need to aide the efficient operations of our regional networks. The Transport Department treats the Sydney taxi service as a generic system when in fact it comprises a number of networks specializing in different regions. It is impossible to know all of Sydney and hence regionalisation is the only way to gain customer confidence in the ability of Sydney cabs. You do not look to South African airways to go to Rio yet we have a Manly cab going to Penrith whilst a St George cab goes to Manly.<sup>322</sup>

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<sup>317</sup> Submission 46, NSW Taxi Drivers Association, p 5

<sup>318</sup> Submission 32, Australian Taxi Drivers Association, p 14

<sup>319</sup> Submission 54, Mr Ted Hirsch, p 37

<sup>320</sup> Submission 54, p 37

<sup>321</sup> Supplementary Submission 30a, Dr Peter Abelson, p 4

<sup>322</sup> Submission 4, Mr Ian Anderson, p 1

- 5.11** Mr Anderson noted that many passengers travel to only one or two locations outside of their regional area, such as the airport and the central business district. He suggested that these central locations could have ‘destination ranks to return the cabs to their regions’.<sup>323</sup>

### **The 3 o’clock changeover time**

- 5.12** The Australian Hotels Association stated that ‘[t]he most common complaint against the NSW taxi industry concerns the near industry-wide standard of driver shift change-over times at 3pm and 3am.’<sup>324</sup> The Association explained the impacts of standard driver changeover times:

To our industry and to the City of Sydney, the disastrous affects brought on by the two common change-over times are an embarrassment and to our customers, including overseas visitors ... The blanket 3pm change-over takes taxis out of the city and all at much the same time. It creates difficulties for the traveling public and especially related to our industry, it is a nightmare to get patrons to and from accommodation hotels, to tourist spots and to airline connections ... The 3am changeover is even more problematic and creates a dearth of vehicle availability, between a much wider span of hours and most noticeably between the hours of 1.30am to 4.30am.<sup>325</sup>

- 5.13** Mr Ernie Mollenhauer, Delegate Nominee, NSW Taxi Drivers Association commented that:

If you try to fix the 3 o’clock changeover problems you need to understand that there can be a thirty-fold differential in the demand for taxis, depending on the hour of the day. You cannot just say that that is something more taxis will fix. Those kinds of peaks last for only a couple of hours.<sup>326</sup>

- 5.14** Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited said in regards to the 3 o’clock changeover:

I do not think there is any simple solution to it. I think it is a matter of government and industry working hard at providing a better balance between available vehicles and, hopefully, a different work pattern for drivers instead of having the fixed mentality of 3.00 p.m. to 3.00 a.m. that we have in our industry generally.<sup>327</sup>

- 5.15** Ms Jenny Roberts, General Manager, Lime Taxis suggested that licensing conditions could be used as a way to control when changeover occurs: ‘There is a 24-hour taxi plate that normally changes over between 2.00 and 3.00 pm. Maybe you need more night plates that start at 12 noon and work through’.<sup>328</sup>

<sup>323</sup> Submission 4, p 1

<sup>324</sup> Submission 39, Australian Hotels Association, pp 4-5

<sup>325</sup> Submission 39, pp 4-5

<sup>326</sup> Mr Ernie Mollenhauer, Delegate Nominee, NSW Taxi Drivers Association, Evidence, 2 February 2010, p 29

<sup>327</sup> Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, Evidence, 31 March 2010, p 12

<sup>328</sup> Ms Jenny Roberts, General Manager, Lime Taxis, Evidence, 2 February 2010, p 57

- 5.16** The Australian Hotels Association also posited that changes to licensing conditions would help to overcome the problems associated with the standard changeover time:

The major shortage problem occurs because of the 3am change-over on weekends, between the hours of 1.30am to 4.30am on Saturday and Sunday mornings. It would be possible for Government to amend existing taxi licence conditions to mandate that change-overs on those two days be at 5am (and 5pm, if 12 hour shifts are to be retained across the board). If the above propositions do not find favour, then all new additional taxi licence conditions could dictate alternative permissible change-over times or the hours a particular vehicle must be on the road.<sup>329</sup>

- 5.17** Mr Les Wielinga, Director General, NSW Transport and Infrastructure acknowledged the difficulty in determining the most suitable time for driver changeover:

Shifts are determined by industrial agreements with taxi companies and their employees. They have got in mind the time of day when they want complete shifts to service customers. At some time of the day there has to be a change of shift. The question is when is the demand the least?<sup>330</sup>

- 5.18** Mr Wielinga indicated that the Department would try to determine ways to address the issue:

Is three o'clock the time of day to have a change or do we try to create a situation where there are overlaps? I have not addressed that issue in detail with the taxi industry ... it will be one of the things that we look at. We need to do that in an environment of what is the level of regulation that you want to put into this industry to allow it to perform and service its customers. I accept that is a problem that we should look at and we will.<sup>331</sup>

### **Regional and rural taxi services**

- 5.19** It was observed that variances in supply and demand are also common for regional and rural taxi services. Mr Greg Sweetman said that in the Maitland area:

... on many slow shifts throughout the week and weekends are earning far less than the minimum hourly rate because the Maitland area for 95% of the week has more taxis on the road than the demand requires. The supply and demand is very unpredictable.<sup>332</sup>

- 5.20** Mr Kenneth Preece also highlighted the peaks and troughs in demand that are experienced in the Maitland area:

The taxi needs in the Sydney/metro districts are completely different to those in the country districts e.g. in the Maitland taxi district there only 2 periods a week and only for approximately 2 to 3 hrs on sat & sun mornings that all taxis are busy the rest of

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<sup>329</sup> Submission 39, pp 5-6

<sup>330</sup> Mr Les Wielinga, Director General, NSW Transport and Infrastructure, Evidence, 2 February 2010, p 17

<sup>331</sup> Mr Wielinga, Evidence, 2 February 2010, p 17

<sup>332</sup> Submission 13, Mr Greg Sweetman, p 1

the week a driver would not earn on average approximately 8.00 p/h, so we cant get drivers for some day and week nights shifts ...<sup>333</sup>

**5.21** Shortages are also prevalent on the Central Coast, particularly during the afternoon changeover time and late on Friday and Saturday nights. The lack of taxis late at night on weekends can mean that ‘a lot of the late night violence problems are exacerbated by patrons being unable to quickly get a taxi when leaving licenced premises’.<sup>334</sup>

**5.22** Mr Reginald Cockburn, owner-operator, Newcastle Taxis commented that in Newcastle, while taxis are generally able to meet customer demand, there are times when demand exceeds supply:

... the Newcastle Taxi District meets the transport demands of the community with average waiting times for taxis being less than ten minutes in the overwhelming majority of cases. There is a period of time between the hours of 1.00am and 4.00am Saturday and Sunday mornings where taxi waiting times increase, particularly-within the inner city entertainment precincts as demand increases for transport services.<sup>335</sup>

**5.23** Mr Cockburn explained why the problems with demand are particularly exacerbated on Saturday and Sunday mornings:

They have this lockout system up there with the hotels ... when it was introduced, it solved a lot of social-behavioural problems for the community - there is no doubt about that - but it created a lot of problems for the taxi industry up there. What they do at around about 1.30 a.m. is what they call a lockout. If you are not in a licenced premises by 1.30 a.m., you will not be allowed in. The people who are there stay there. At 3.00 a.m., they put everybody out onto the street ... My guess is that bus drivers do not particularly want to put more buses on the road because sometimes we have enough trouble with four drunk people in a taxi, and I am sure that they would not want 64 people in a bus carrying on the same way.<sup>336</sup>

### *Committee comment*

**5.24** The Committee is aware that the availability of taxis, particularly during changeover time and peak periods, has been a recurring issue for the NSW taxi industry. The Committee believes that better management of the existing taxi fleet, combined with the issue of new taxi licences, will assist in alleviating some of the availability issues.

**5.25** The Committee has been unable to ascertain why the taxi industry adopted the 3am/3pm changeover time, or why it has not explored the use staggered changeovers times such as at 2am/2pm or 4am/4pm. These staggered changeover times would still enable each shift to share peak period opportunities, whilst helping to spread out the supply problems that currently occur at set times during the day.

<sup>333</sup> Submission 15, Mr Kenneth Preece, p 1

<sup>334</sup> Submission 36, Name suppressed, p 1

<sup>335</sup> Submission 24, Mr Reg Cockburn, p 2

<sup>336</sup> Mr Reginald Cockburn, Owner-operator, Newcastle Taxis, Evidence, 4 February 2010, p 25

- 5.26** In particular, the 3am changeovers on Saturday and Sunday mornings represent missed opportunities for taxi drivers, who forego the potential income from patrons exiting licenced premises at closing time. Increasing the availability of taxis at this time would also be beneficial for potential passengers, and could reduce the possibility of social disturbances occurring as people wait for a taxi.
- 5.27** The Committee acknowledges the commitment made by NSW Transport and Infrastructure to determine ways to overcome the problem of the industry-wide changeover times. The Committee believes that in considering this issue, NSW Transport and Infrastructure must introduce varied changeover times as part of licence conditions and regulations.
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### **Recommendation 10**

That NSW Transport and Infrastructure introduce varied changeover times as part of taxi licence conditions and regulations.

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### **A two tiered taxi system?**

- 5.28** Several Inquiry participants felt that the introduction of other types of taxi services might assist to increase the availability of taxis. Different types of two-tiered systems were suggested, including peak taxis and less regulated mini-taxis.
- 5.29** It was suggested that the introduction of a second tier of less regulated taxi services may better meet the needs of local commuters. Mr Barry Frost felt that ‘the current registered cab fleet would end up being used primarily by people such as tourists unfamiliar with Sydney and those wanting a minimum regulated level of service. For the rest of us, flexicabs would be the way to go’.<sup>337</sup>
- 5.30** Mr Graham Hoskin suggested that a paratransit system involving the transportation of multiple passengers per trip would help to alleviate the demand and supply issues:
- ... a casual glance at many overseas services shows that there is a place for a wide variety of taxi services, including a cheaper service which involves shared riding. Instead of having a personalized service, different people use a shared taxi to get to a destination, sometimes all travelling to the same destination, sometimes being dropped off at addresses close to the main destination.<sup>338</sup>
- 5.31** Mr Hoskin noted that whilst a paratransit system would be somewhat less regulated than standard taxi services, a paratransit system:
- ... would have to be adapted to Australian conditions, with such features as stricter and more frequent vehicle inspection checks, with strict rules for the transport of children and infants with the provision of appropriate and Standards Australia

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<sup>337</sup> Submission 27, Mr Barry Frost, p 1

<sup>338</sup> Submission 48, Mr Graham Hoskin, p 2

approved child restraints and bassinets, and other features for the transport of the handicapped etc.<sup>339</sup>

**5.32** The Australian Hotels Association advocated for the introduction of peak taxis:

‘Peak Taxis’ in Sydney could be private vehicles, checked and certified as meeting specified mechanical and appearance standards, required to operate from areas of peak demand, not be attached to the traditional radio networks (so fares could only come from waiting passengers in such areas). These cars would require little more than a moveable illuminated ‘Peak Taxi’ sign and a timebased fare meter.<sup>340</sup>

**5.33** The Australian Hotels Association felt that peak taxis would assist to quickly disperse large groups of people from major events and entertainments precincts, and have the consequent effect of helping to reduce instances of anti-social behaviour and random acts of malicious damage.<sup>341</sup>

**5.34** It was also noted that these peak licences would benefit regional and rural areas where weekends and special events generate an increased demand for taxis that is not sustained outside of an event period:

Our members in regional and country areas constantly report that the regulated numbers of taxi licences in rural areas has a negative impact on the provision of sufficient services during periods of higher demand. Whilst there is no desire and little need to increase taxi numbers during periods of lower demand, there may be opportunity to consider the option of granting limited licences to suitably accredited persons to operate normally privately registered vehicles as public transport conveyances during pre-determined higher demand hours. This proposal ... could be trialled and refined in a couple regional cities and in one or two country towns on Friday and Saturday evenings and even on occasions of large increases in population, such as during the Tamworth Country Music Festival and the Bathurst Car Races and in snow resorts during the ski season.<sup>342</sup>

**5.35** Dr Abelson noted that the current ‘regulations require all cabs to be able to carry at least four passengers’,<sup>343</sup> but felt that the regulation on vehicle size ‘appears quite unnecessary and anti-competitive’.<sup>344</sup> Dr Abelson commented that ideally, ‘taxi operators could operate any kind of vehicles subject to safety standards and consumer demand’.<sup>345</sup>

<sup>339</sup> Submission 48, p 4

<sup>340</sup> Submission 39, p 6

<sup>341</sup> Submission 39, p 8

<sup>342</sup> Submission 39, pp 14-15

<sup>343</sup> Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, Evidence, 3 February 2010, p 42

<sup>344</sup> Submission 30, Dr Peter Abelson, p 2

<sup>345</sup> Submission 30 - Appendix A, Dr Peter Abelson, *Economic Evaluation of Taxi Industry Reform in Sydney*, January 2010, p 18

- 5.36** In particular, Dr Abelson suggested that the regulation should be changed to allow smaller vehicles, or mini-cabs, to be used as alternative taxis:

Why can't you use a Corolla, for example, or Yaris? Obviously it has to be fitted with all the necessary equipment, but they are fuel-efficient, they take up less space and you would have more cabs at a rank. They are environmentally better ... more appropriate in a busy city with lots of congestion.<sup>346</sup>

- 5.37** Mr Adam Johnston explained that a two-tiered system of taxi services already operates in London:

London has a two-tiered system whereby you can pay a premium or a higher level for a fully uniformed taxicab driver, or you can go at a lower rate and get a minicab. That appears to work fairly well ... The United Kingdom Government has some regulatory responsibility, but my sense of what the Independent Pricing and Regulatory Tribunal is saying is that beyond basic safety and car standards for both systems the market, passengers and drivers are pretty much left to sort out the market to and fro. Again, I have no difficulty with that.<sup>347</sup>

- 5.38** Mr Christopher Brown, Managing Director, Tourism and Transport Forum, advised that a two-tiered system is beginning to operate in Victoria. Several private cab networks operate in Melbourne and are growing in popularity: 'In a lot of ways people are deserting the radio network systems in Melbourne to take up the use of the private cab networks because of the quality of drivers, reliability of service and things of that nature'.<sup>348</sup>

- 5.39** Under a series of reforms announced in 2002, Victoria introduced peak service taxi licences, which operate between 3pm and 7am in metropolitan Melbourne, and during special events such as the Melbourne Cup.<sup>349</sup> Mr Ramshaw noted that such licences also exist in New South Wales: 'There are night-only licences and there are peak availability licences that have restricted hours of operation which run from midday until 5.00 a.m'.<sup>350</sup>

#### *Committee comment*

- 5.40** The Committee considers that there would be benefits in introducing alternative taxi options in New South Wales. The Committee notes that the current regulations require that a standard taxi must be able to accommodate between 5-12 adults, including the driver.
- 5.41** The Committee believes that NSW Transport and Infrastructure should examine the merits of allowing greater flexibility in the type of vehicle that can be used as a taxi, subject to safety and security requirements. This will allow for the development of a taxi fleet that is better able to respond to the diverse needs of commuters, and is better suited to a changing operating

<sup>346</sup> Dr Abelson, Evidence, 3 February 2010, p 42

<sup>347</sup> Mr Adam Johnston, Evidence, 4 February 2010, pp 43-44

<sup>348</sup> Mr Brown, Evidence, 4 February 2010, p 6

<sup>349</sup> Victorian Department of Transport, *Taxi and hire vehicle reform – Key achievements* <<http://www.transport.vic.gov.au/DOI/Internet/vehicles.nsf/AllDocs/DCBFD3D4FEEA95A2CA256F320020D5A2?OpenDocument>> (accessed 7 January 2010)

<sup>350</sup> Mr Ramshaw, Evidence, 2 February 2010, p 13

environment where road congestion and environmental impacts are becoming increasingly important considerations.

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### **Recommendation 11**

That NSW Transport and Infrastructure examine the merits of allowing greater flexibility in the type of vehicle that can be used as a taxi, subject to safety and security requirements.

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- 5.42** The Committee acknowledges that there are a number of peak licences in NSW. However, taxis remain difficult to find during peak times, particularly after major events. The Committee believes that NSW Transport and Infrastructure should explore the feasibility of introducing a greater number of peak taxi licences to increase the availability of taxis at times when demand for services is highest. In addition, the existence and availability of these peak licences should be better communicated to taxi drivers and to the wider community.
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### **Recommendation 12**

That NSW Transport and Infrastructure explore the feasibility of introducing a greater number of peak period taxi licences.

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## **Taxi booking and dispatch**

- 5.43** Several Inquiry participants suggested that the system of booking and dispatching taxis needs improvement in order to better meet the needs of both drivers and passengers.
- 5.44** The taxi networks, as identified at Table 2.2 in Chapter 2 and discussed in Chapter 4, currently oversee the booking and dispatch of taxis. Dr Abelson explained that '[a]ll operators are required by government regulation to be affiliated to a taxi radio network. These networks provide various services, including a radio booking system, a GPS tracking system and alarm monitoring service'.<sup>351</sup>
- 5.45** The NSW Taxi Council outlined how bookings are dealt with once they have been made:

Where a booking has been made, the network deals directly with the intending passenger in answering the telephone, recording their details and providing whatever feedback is required at that time. The network must dispatch that booking to a taxi available to accept the hiring in a manner that meets the needs of the driver and which is efficient and effective from the passenger's point of view.<sup>352</sup>

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<sup>351</sup> Submission 30 - Appendix A, pp 3-4

<sup>352</sup> Submission 42, p 34

### Criticisms of the current booking system

- 5.46** The Australian Taxi Drivers Association commented that the existing booking system is not successfully meeting the needs of drivers or passengers, asserting that almost one quarter of bookings ‘go astray’:

Even when all possible subtractions are made from passenger bookings for no-shows, off-loads, ring-backs and double bookings are made the inescapable conclusion is that almost three million bookings go astray - almost one quarter of all bookings. The network booking system is a failure.<sup>353</sup>

- 5.47** The NSW Taxi Drivers Association noted that the ‘chaotic state’ of the current booking system means that drivers often do not respond to requested bookings:

Estimates vary but about 25% of bookings responded to by taxi drivers result in the drivers getting paid NOTHING at all for their efforts ... drivers receiving ‘bookings’ from main road sites such as stations won’t run out there vacant because of the high likelihood of the fare being hijacked by a cruising cab before a booked cab can reach the pickup point.<sup>354</sup>

- 5.48** Mr Ernie Mollenhauer, Delegate Nominee, NSW Taxi Drivers Association, explained that the current booking system does not meet the needs of taxi drivers:

At the moment the networks are set up as a conduit of communication between intending travellers and drivers, but in fact they are choking communication. They do not relay all the information that a driver needs. They do not provide the feedback that the driver needs as to whether the passenger is still there. It is like a lottery ... When the driver goes there, instead of getting paid something he gets paid nothing. It makes you very negative about looking at a similar booking.<sup>355</sup>

- 5.49** The Australian Hotels Association was also critical of the booking system:

One of the most constantly heard and aggravating complaints from visitors about Sydney taxis is that, radio-booked taxis just don’t turn up, especially if the stated destination is only a short distance away or if the destination is the airport at an ‘unfavourable’ time of day.<sup>356</sup>

- 5.50** Passengers have adopted strategies to overcome this lack of reliability in booking services, with many passengers choosing ‘to completely bypass the established booking agencies and place their bookings directly with taxi drivers’.<sup>357</sup>

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<sup>353</sup> Submission 32, p 3

<sup>354</sup> Submission 45, NSW Taxi Drivers Association, p 14

<sup>355</sup> Mr Ernie Mollenhauer, Delegate Nominee, NSW Taxi Drivers Association, Evidence, 2 February 2010, p 28

<sup>356</sup> Submission 39, p 12

<sup>357</sup> Submission 45, p 13

**5.51** Mr Adam Johnston, a user of wheelchair accessible taxis explained that ‘from a passenger’s point of view, the radio network is very ineffective. In order to travel to appointments on time, I generally make arrangements directly with drivers, as the radio network has *never* been known for timeliness or efficiency’.<sup>358</sup>

**5.52** The NSW Taxi Drivers Association gave further examples of passenger strategies to secure a taxi because of the ‘unreliability’ of booked services:

Passengers have been ‘trained’ by the unreliability of past experiences to adopt contingency plans. Passengers’ plans may include ringing more than one taxi company, walking out to the nearest street corner to hail a cab or even to drive themselves after waiting a short while.<sup>359</sup>

**5.53** The NSW Taxi Drivers Association felt that networks should be required to ‘promptly pool their offloads and to link their computer systems to avoid duplication’.<sup>360</sup> In addition, the Association suggested that the booking and dispatch system as a whole should be overhauled:

The paradigm shift that is called for then is for the taxi networks (booking services) to directly draw their income from the passengers whose needs they succeed in filling. This in turn should be matched by networks paying drivers for each booking that the drivers accept instead of charging drivers for the dubious privilege of being able to access unreliable bookings ...<sup>361</sup>

**5.54** The Australian Taxi Drivers Association proposed that a new, internet-based booking system, developed by the Association itself, may increase the effectiveness of bookings by facilitating better communication between the passenger and the taxi driver:

The system will be an internet-based system where people register and make an offer of their job rather than a booking, as such ... We would act as a bulletin board for those job offers placed on the internet and post them to all drivers online ... They would be able to see all those offers and would select the offer they want. Immediately, because it is the internet, the customer would get a confirmation that taxi driver Michael whose ID is AN 3264 who is in taxi 5070 will be there at such and such time and his mobile phone number, in case he does not turn up, is 041 blah blah blah. So the passenger is informed.<sup>362</sup>

<sup>358</sup> Submission 1, Mr Adam Johnston, p 4

<sup>359</sup> Submission 45, p 14

<sup>360</sup> Submission 46, p 15

<sup>361</sup> Submission 45, p 13

<sup>362</sup> Mr Michael Jools, President, Australian Taxi Drivers Association, Evidence, 3 February 2010, p 29

### Driver safety and the network booking system

- 5.55** Mr Faruque Ahmed, taxi driver, noted that the original purpose of the network-based booking system was ‘for communication and for the safety of taxi drivers’.<sup>363</sup>
- 5.56** Mr Cockburn informed the Committee of failures in the Newcastle booking network that compromised the safety of taxi drivers. Mr Cockburn noted that after Cabcharge purchased the Newcastle booking network a ‘[n]ew computer booking infrastructure was put in place and at face value it appeared to be excellent. In reality it turned out to be a flop - there is no better word’.<sup>364</sup>
- 5.57** Mr Cockburn explained how the system had failed:

It [the system] failed Friday two weeks ago at about 4.00 p.m. for two hours. It turned out to be a failure in the Telstra system. The Cabcharge system relies on the same system as mobile telephones ... Calls from the public were still coming through the booking system but they could not be relayed to the taxi drivers. The scary thing was that at the same time that went down there was no M13 emergency response system ... If a driver was assaulted there was no way of getting a response ...<sup>365</sup>

- 5.58** Mr Cockburn went on to say that ‘Cabcharge representatives have come to some meetings with the owner-operators’ association and spoken about how they are addressing the issues. The system has got better; it is not failing as often as it used to’.<sup>366</sup>

### A single booking desk?

- 5.59** It was suggested that the current system of multiple booking desks should be replaced with a single booking desk to manage all bookings in the Sydney metropolitan area. A single booking desk would make ‘available to the public at any time the full fleet of 5500 Sydney taxis’.<sup>367</sup>
- 5.60** Mr Hirsch felt that a single booking desk would become a necessity due to the commercial pressures faced by the networks:

... the evolution of the taxi industry into the 21st century necessitates that the 5 remaining radio bookings/despatch Networks integrate into a single Sydney wide network ... That they cannot survive commercially is evidenced by the amalgamation of the various past networks into umbrella organisations of the 5 remaining bookings/despatch networks ... All of the past 12 or so taxi companies continue with their distinctive livery but in fact operate under the umbrellas of the 5 radio bookings/despatch Networks.<sup>368</sup>

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<sup>363</sup> Mr Faruque Ahmed, Taxi driver, Evidence, 3 February 2010, p 36

<sup>364</sup> Mr Cockburn, Evidence, 4 February 2010, p 23

<sup>365</sup> Mr Cockburn, Evidence, 4 February 2010, p 23

<sup>366</sup> Mr Cockburn, Evidence, 4 February 2010, p 23

<sup>367</sup> Submission 54, p 20

<sup>368</sup> Submission 54, p 18

**5.61** The NSW Taxi Drivers Association noted that '[t]here is already a 'single desk' scheme known as the '0200' service which pools bookings for WATS, alone, (irrespective of taxis' network livery) and that has the potential for the most efficient use of fleet vehicles'.<sup>369</sup>

**5.62** Mr Hirsch identified several potential benefits of a single desk:

- improved service to the public by availability of the total Sydney taxi fleet
- increased booking jobs for taxidrivers
- increased public and driver confidence and use of taxi bookings
- strong competition to private trunk systems
- reduced operational costs
- potential per booking fees and commercial revenues incentivisation.<sup>370</sup>

**5.63** It was also noted that amalgamating booking networks into a single desk may improve driver safety:

The present 5 bookings/despatch networks have the costly responsibility of also operating the essential taxi GPS systems and providing "M13" safety alarm and response operations for their taxis. These are vital safety services but are costly non revenue operations. In addition, and perhaps partly as a result, these operations are at times less than satisfactory. This is dangerous and totally unacceptable. Moving these services under the one roof provides better control and vital Sydney wide all taxis intercommunications at times of emergencies.<sup>371</sup>

**5.64** The NSW Taxi Drivers Association suggested a single desk should be established to manage any jobs that the booking networks had been unable to allocate:

In terms of a single service desk, if a job has not been picked up within ten minutes by a cab from the local network it should go through to a single service desk that handles all unallocated jobs in Sydney. This single desk should be responsible to see that all jobs are filled if possible, there are no double bookings, an appropriate cab is assigned the job, and to ascertain if the customer terminates the job.<sup>372</sup>

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<sup>369</sup> Submission 46, p 15

<sup>370</sup> Submission 54, p 20

<sup>371</sup> Submission 54, p 21

<sup>372</sup> Supplementary Submission 46a, NSW Taxi Drivers Association, p 10

### Trunk booking networks

- 5.65** The Committee heard differing opinions in relation to trunk booking networks. The NSW Taxi Council advocated for better enforcement of regulations relating to unauthorised equipment in a taxi. Stronger enforcement of such regulations would hinder the capacity for trunk booking networks to operate. The NSW Taxi Council outlined the problems with unauthorised booking networks:

From a passenger perspective, the trunk radio groups provide a booking service in a similar manner to the authorised networks but they do not have any of the responsibilities imposed on authorised networks ... Because they operate outside the regulations there is no accountability. Public safety is compromised due to the lack of any record linking the passenger to a driver and the lack of accountability can lead to price gouging and other undesirable or illegal behaviour.<sup>373</sup>

- 5.66** One submission author noted that trunk networks impede service efficiency to the wider pool of taxi users:

The proliferation of trunk radios i.e. unaccredited radio dispatch systems, serves to impede service efficiency to a majority of passengers that accredited radio networks and the legislated framework strive to achieve. Under such system, these trunk radio groups are operating an unaccredited dispatch system outside the regulatory framework and in doing so do not comply with the stringent safety and service level standards that an accredited network must adhere.<sup>374</sup>

- 5.67** Mr Paul Fletcher highlighted the propensity of truck radio users to only accept the more profitable jobs, stating that 'I have no problem with them provided they operate as a complete legal network. I don't want them using the ordinary network to poach selected customers. You don't see the trunk networks taking bookings from the pensioner to go around the corner!'.<sup>375</sup>

- 5.68** The NSW Taxi Council similarly observed: 'The problem that these groups pose for the industry is their ability to pick and choose customers and hence remove the most attractive customers from the pool of work available to the rest of the fleet'.<sup>376</sup>

- 5.69** However, some Inquiry participants indicated that they would oppose the strict enforcement of regulations that would prevent trunk booking networks from operating. For example, Mr Johnston would 'oppose in the strongest possible terms' the strict enforcement of such regulations because '[i]t is a restraint of trade'.<sup>377</sup>

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<sup>373</sup> Submission 42, pp 33-34

<sup>374</sup> Submission 29, Name suppressed, p 11

<sup>375</sup> Supplementary Submission 44a, Mr Paul Fletcher, p 6

<sup>376</sup> Submission 42, pp 33-34

<sup>377</sup> Mr Johnston, Evidence, 4 February 2010, p 42

- 5.70** In the view of the NSW Taxi Drivers Association, trunk networks are ‘a shining example’ of good service, unlike network booking services:

The trunk groups came into existence to fill the void in quality taxi services that were so lacking in the networks’ operations. The trunk groups virtually saved the reputation of the taxi industry. It was, and is, a shining example of how a quality taxi service can be supplied to customers ... Trunk groups pose no risks to quality and reliability. They lead the way in those very factors. Public safety is not compromised. They do not pose any problem in the quality of service to customers, or any problem to the growth of the taxi market of the taxi industry reputation as a whole ...<sup>378</sup>

- 5.71** Mr Hirsch suggested that passenger safety is not compromised by trunk radio networks, and that passengers receive more reliable service from trunk networks:

All Sydney taxis, including trunk taxis, pay for and are linked to the authorized main radio booking/dispatch Networks ... Accordingly, their passengers have all systems of safety, lost property and complaints etc fully at their disposal ... Trunk operators and drivers pay extra for their private trunk booking system. The trunk systems thrive because they provide a better and more reliable booking and pick-up service.<sup>379</sup>

- 5.72** The NSW Taxi Drivers Association refuted the claim that trunk networks only provide services to the most attractive customers, saying that ‘[a] driver with a trunk device has no more or less right to pick and choose than any other driver. All drivers have the right to pick and chose’.<sup>380</sup>

- 5.73** Mr Mollenhauer indicated that drivers often join trunk booking networks because of the additional passenger information that the trunk networks provide: ‘[w]e get direct conversations from the passengers, we hear what they say, we get their phone number, we meet their needs’.<sup>381</sup>

*Committee comment*

- 5.74** The Committee understands the frustrations that both drivers and passengers experience in regard to the booking and dispatch of taxis. When bookings are made, passengers have a right to expect that a vehicle will arrive in a timely fashion, whilst drivers have the right to expect that a passenger will not seek out alternative arrangements if a taxi booking has been made.
- 5.75** The Committee acknowledges that whilst trunk booking networks may be popular with both drivers and passengers, such networks operate outside of the regulatory requirements that have to be met by authorised booking networks. The Committee does not believe that direct communication between drivers and passengers should be prevented.

<sup>378</sup> Supplementary Submission 46a, pp 16-17

<sup>379</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Ted Hirsch, p 5

<sup>380</sup> Supplementary Submission 46a, p 17

<sup>381</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 28

**5.76** The Committee is alarmed that failures in the network booking system can severely compromise the safety of taxi drivers in their workplace. Whilst acknowledging that malfunctions do occasionally occur, the Committee believes that booking networks should be required to ensure that drivers are always able to communicate with their booking network.

### **The need for more taxi ranks**

**5.77** Improvements in the number and location of taxi ranks were suggested to better manage passengers' access to taxi services. Taxi ranks are located where there is significant passenger demand for taxi services. The Passenger Transport Regulation 2007 stipulates that a taxi driver must not allow a taxi to stand vacant anywhere other than at a taxi rank, except while:

- setting down or picking up passengers or luggage
- acting under direction of a police officer
- hired
- not available for hire.<sup>382</sup>

**5.78** There are currently 24 taxi ranks in the Sydney central business district.<sup>383</sup> Three of these are designated as secure ranks, meaning that security guards are present at the rank on Friday and Saturday nights.<sup>384</sup> According to NSW Transport and Infrastructure, there are 41 secure ranks across both metropolitan and regional NSW.<sup>385</sup>

**5.79** One Inquiry participant believed that more needs to be done to encourage passengers to use taxi ranks:

There should be comprehensive action to encourage more use of taxi ranks including better signage, discouraging passengers from hailing nearby cruising taxis, discouraging drivers from refusing fares, more rostering of uniformed security personnel and addressing severe shortages of taxi queuing spaces ...<sup>386</sup>

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<sup>382</sup> Passenger Transport Regulation 2007 cl 138 and cl 139

<sup>383</sup> City of Sydney, *CBD Access Map - Sydney*, September 2003 <[http://www.cityofsydney.nsw.gov.au/AboutSydney/documents/CBDDisabledAccess/catz\\_da\\_access\\_maps.pdf](http://www.cityofsydney.nsw.gov.au/AboutSydney/documents/CBDDisabledAccess/catz_da_access_maps.pdf)> (accessed 23 February 2010)

<sup>384</sup> NSW Transport and Infrastructure, *Secure Taxi Ranks in NSW* <<http://www.transport.nsw.gov.au/taxi/secure-taxi-ranks.html>> (accessed 23 February 2010).

<sup>385</sup> There are secure ranks in Albury, Batemans Bay, Bathurst, Bowral, Byron Bay, Coffs Harbour, Coogee, Cowra, Cronulla, Forbes, Griffith, Hamilton, Hornsby, Kiama, Kings Cross, Lismore, Lithgow, Manly, Mudgee, Newcastle, Orange, Parkes, Penrith, Port Macquarie, Singleton, Surry Hills, Sutherland, Tamworth, Terrigal, Tumut, Wagga Wagga, Wollongong and Young. The hours of operation for each rank vary (Submission 45, p 4)

<sup>386</sup> Submission 26, Name suppressed, p 1

- 5.80** The benefits of additional taxi ranks, particularly secure ranks, in areas with a high concentration of people attempting to get a taxi at the same time were noted:

Problems in terms of violence and anti-social behaviour toward taxi drivers arise in instances where a number of licence premises in short distance of each other simultaneously close of a night. This results in a large number of hotel patrons congregating on the street, with the high concentration of such people causing pressures on all forms of public transport ... The taxi industry has taken substantial steps to counter these problems with the introduction of secure ranks across the city...<sup>387</sup>

- 5.81** The Australian Hotels Association felt that an increase in the number of taxi ranks in areas of high demand for services ‘will better ensure (as it does now at airports and existing ranks) that selective touting and job picking is reduced’.<sup>388</sup> Additionally, the Association felt that more taxi ranks would have substantial benefits in regard to the safety of prospective taxi passengers:

We believe that increasing the number of taxi ranks would discourage prospective passengers from rushing out onto roadways in their endeavours to spot an approaching cab and flag one down. The importance of pedestrian safety becomes even more paramount when people’s regard for rudimentary safety is often overtaken by their anxiousness to get home and by them being in high spirits, or when they are impatient from having to wait for a taxi for an inordinately long period. If passengers knew they would more easily obtain a taxi at a rank, and the location of the ranks were well located and sign-posted, then this very real road safety problem would be greatly reduced.<sup>389</sup>

- 5.82** Mr Ahmed encouraged better consultation with industry stakeholders, particularly drivers, in determining where ranks should be located:

The city ranks are not properly organised or coordinated ... There should be proper consultation and there should be lots of ranks where we know the movements are ... We have to consult with the service provider, the drivers, and even I do not mind feedback from the public.<sup>390</sup>

- 5.83** Mr Hirsch advised the Committee that he does not use taxi ranks to pick up passengers: ‘because it wastes a hell of a lot of time. I would drive past the ranks, go around the corner and pick up a passenger off the footpath’.<sup>391</sup> However, Mr Hirsch did note that he and other drivers would be happy to be consulted on the location of additional ranks:

I think slowly but surely a few extra ranks have come in ... Then there are questions of special ranks, for instance, in December, Christmas and New Year, and so on, which again, as drivers, we would be happy to provide very sound comments and

<sup>387</sup> Submission 29, p 12

<sup>388</sup> Submission 39, p 13

<sup>389</sup> Submission 39, p 13

<sup>390</sup> Mr Ahmed, Evidence, 3 February 2010, p 37

<sup>391</sup> Mr Ted Hirsch, Taxi driver, Evidence, 4 February 2010, p 17

suggestions on so as to locate them as best as possible for the public and for the taxis to access on the perimeters of the city, for instance.<sup>392</sup>

***Committee comment***

- 5.84** The Committee believes that both passengers and drivers would benefit from an overall increase in the number of taxi ranks. An increase in the number of taxi ranks, particularly in locations where passenger demand is significant, will increase passenger safety in trying to hail and enter a taxi, and allow drivers to readily identify safe places to stop. In determining where to locate additional ranks, NSW Transport should consult with a wide range of industry stakeholders, including both taxi drivers and passengers.
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**Recommendation 13**

That, following consultation with industry stakeholders, NSW Transport and Infrastructure increase the number of taxi ranks in locations with significant passenger demand.

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- 5.85** Furthermore, the Committee believes that the number of secure ranks should be increased at weekends and during times of high demand for taxi services, such as during the festive season or special events. This will facilitate the quicker dispersal of large crowds and ensure better safety and security for both passengers and drivers through the increased presence of security personnel at times of high demand for taxi services. In determining where to locate additional secure ranks, NSW Transport should consult with industry stakeholders, including both taxi drivers and passengers.
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**Recommendation 14**

That, following consultation with industry stakeholders, NSW Transport and Infrastructure increase the number of secure taxi ranks at weekends and during times of high demand for taxi services, such as during the festive season or special events.

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<sup>392</sup> Mr Hirsch, Evidence, 4 February 2010, p 17

## Chapter 6 Payment of taxi fares

Inquiry participants raised a number of issues relating to the payment of taxi fares. This Chapter explores these issues, including pre-payment of taxi fares for late night travel, improving passenger confidence in fares and the ability to charge passengers a premium fare for taxi services. The Chapter concludes by discussing the 10 per cent surcharge levied on the electronic payment of taxi fares when passengers use debit, credit or Cabcharge cards.

### Pre-payment of fares

- 6.1** NSW Transport and Infrastructure advised that ‘[u]nder the Passenger Transport Regulation 2007, in NSW a taxi driver may refuse a hiring: ‘if the intending passenger cannot, on request, satisfy the driver that the person is able to pay the estimated fare. However, the driver cannot require pre-payment of the fare’.<sup>393</sup>
- 6.2** However, a taxi driver’s ability to request proof of ability to pay from passengers, does not guarantee that at the completion of the journey the fare will actually be paid. Mr Ted Hirsch, taxi driver, explained:
- Present regulations permit the taxidriver to request from the passenger “proof of capacity to pay”. This means the driver can be shown a plastic card which however does not prove “capacity to pay”, or shown some money which may or may not be handed over at journey’s end. Neither avoids the potential hazards of a runner evading payment.<sup>394</sup>
- 6.3** Mr Michael Hatrick, taxi driver, outlined the problems faced by taxi drivers in regard to fare evasion, stating that ‘[v]ery often these evaded fares involve fares originating in a populated hub. At such locations the availability of police assistance is higher than at the end of the journey. At present the driver is only entitled to request proof of ability to pay’.<sup>395</sup>
- 6.4** Mr Hirsch said that ‘on 2 December 2009 the Minister announced the trial of late night pre-payment of fares on the NSW Central Coast’.<sup>396</sup> NSW Transport and Infrastructure advised that it had ‘approved a trial proposed by the NSW Taxi Council, on behalf of the Central Coast Taxis, to give drivers the option of requiring prepayment of fares for late night trips. NSWTI (NSW Transport and Infrastructure) is currently developing, the requirements for the trial’.<sup>397</sup>

<sup>393</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Les Wielinga, Director General, NSW Transport and Infrastructure, p 12

<sup>394</sup> Submission 54, Mr Ted Hirsch, p 23

<sup>395</sup> Submission 47, Mr Michael Hatrick, p 9

<sup>396</sup> Submission 54, p 23; Haynes R, ‘Pre-pay for a fare go’, *The Daily Telegraph*, 2 December 2009, p 22

<sup>397</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 12

- 6.5** Mr Hirsch was supportive of this trial, believing that passengers will soon accept pre-payment as ‘normal’:

Passengers will soon accept that this is a normal and sensible practice in taxis as in many aspects of life and business ... In principle and in practice, the universal pre-payment of taxi fares will largely eliminate runners and the associated major and extremely serious problems and life threatening dangers.<sup>398</sup>

- 6.6** Victoria introduced mandatory pre-payment of fares in October 2008 to ‘reduce fare evasion and improve driver safety’.<sup>399</sup> Under the Victorian system, all fares between 10pm and 5am must be paid in advance. At the beginning of each journey during this time period, taxi drivers estimate what the total fare will be using an authorised ‘street directory-based fare estimator’<sup>400</sup> with passengers required to pay that amount as a deposit. At the end of the journey, ‘the driver will either refund any over-payment, or the passenger must pay the balance of the fare’.<sup>401</sup>

- 6.7** Mr Ernie Mollenhauer, Delegate Nominee, NSW Taxi Drivers Association explained his reasons for supporting the pre-payment of fares:

We just want to be paid for what we do. It avoids physical confrontation or it does not provoke physical confrontation. ... All those who were never planning to pay me get out at the beginning of the journey. If we can ask for a reasonable deposit before the journey commences everybody will be happy. A lot of drivers are stressed and anxious about whether or not they will get paid ... The confrontation that you want to avoid occurs when the runner commences his escapade. Those are far more serious than any confrontation that occurs when you ask for a deposit upfront ... You pay upfront for everything else, why not for a cab? What we would like is to charge a low estimate of the fare, rounded up or down when we get there. It is not unreasonable.<sup>402</sup>

- 6.8** Mr Mollenhauer noted that conflict resolution training could help taxi drivers in the event that a passenger strenuously objected to pre-paying the fare: ‘[c]onflict resolution is something that training can help drivers manage. I am quite sure it is possible to ask for an upfront fare in an inoffensive or affronting way’.<sup>403</sup>

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<sup>398</sup> Submission 54, p 24

<sup>399</sup> Hon L Kosky MP, Minister for Public Transport, ‘Prepaid taxi fares to be rolled out from 1 October’, *Media Release*, Wednesday, 10 September 2008

<sup>400</sup> Hon L Kosky MP, Minister for Public Transport, ‘Prepaid taxi fares to be rolled out from 1 October’, *Media Release*, 10 September 2008

<sup>401</sup> Hon L Kosky MP, Minister for Public Transport, ‘Prepaid taxi fares to be rolled out from 1 October’, *Media Release*, 10 September 2008

<sup>402</sup> Mr Ernie Mollenhauer, Delegate Nominee, NSW Taxi Drivers Association, Evidence, 2 February 2010, p 31

<sup>403</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 31

- 6.9 Ms Jenny Roberts, General Manager, Lime Taxis, suggested that if a pre-payment scheme were to be implemented, it would be necessary to have ‘a campaign to ensure all passengers and drivers are well educated on the procedure’.<sup>404</sup>
- 6.10 However, the NSW Taxi Council was not supportive of the pre-payment of fares in NSW. Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, referred to the ‘mixed results’ of pre-payment in Victoria:

The issue of prepaid fares as we understand it had some mixed results in Victoria where it operated. The notion certainly has some appeal in terms that it seems fair. The potential downside we would be concerned about, that is, it increases, we believe, the opportunity for conflict between the driver and the passenger which often would occur in isolated locations—we are talking about late at night and perhaps drunken or aggressive passengers. The imposition of being asked to pay up-front could provoke some people in some situations and that is something that we would be very concerned about.<sup>405</sup>

*Committee comment*

- 6.11 The Committee believes that the pre-payment of fares for travel late at night will drastically reduce the incidence of fare evasion. Pre-payment of fares may also encourage more taxi drivers to be on the road at night, because of the guarantee of payment that this system provides.
- 6.12 Pending the result of the pre-payment trial on the Central Coast, the Committee believes that pre-payment of fares for late night travel should be introduced across the Sydney Metropolitan Area. The introduction of the pre-payment system should be supported by a community awareness campaign to ensure that passengers are aware of the changes, to minimise confusion that such changes may generate.

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**Recommendation 15**

That, subject to the successful trial on the NSW Central Coast, NSW Transport and Infrastructure introduce pre-payment of fares for late night travel across the Sydney Metropolitan Area.

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**Recommendation 16**

That NSW Transport and Infrastructure undertake a community awareness campaign to inform prospective passengers of the introduction of pre-payment of fares for late night travel.

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<sup>404</sup> Answers to questions on notice taken during evidence 3 February 2010, Ms Jenny Roberts, General Manager, Lime Taxis, p 2

<sup>405</sup> Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, Evidence, 2 February 2010, p 13

## Improving passenger confidence in fares

**6.13** The NSW Taxi Council noted that currently passenger confidence in fares charged by taxi drivers is low, primarily due to a lack of itemised receipts. This leads to ‘suspicion and complaints where passengers believe they have been overcharged’.<sup>406</sup>

**6.14** The NSW Taxi Council suggested that all passengers should be able to request at the conclusion of the journey an itemised receipt ‘for legitimate charges such as radio booking fees, as well as road and airport tolls for which the passenger is liable’.<sup>407</sup> Mr Ramshaw explained the NSW Taxi Council’s rationale for this suggestion:

We think in this day and age it is quite appropriate that the receipt be itemised so that people will understand what part of the money they had handed over is paying for what part of it; if part of it is the fare or part of it is a rate based on distance charges, part of it is for time spent waiting, or tolls ...<sup>408</sup>

**6.15** It was further observed that in addition to information on the elements of the fare, details should also be included that clearly enables the identification of ‘the taxi cab, authorised taxi network, taxi driver ID and taxi driver ABN’<sup>409</sup>:

One area of potential weakness in relation to the accountability of taxi drivers is the ability for customers to identify the vehicle in which a journey was undertaken ... It is in the public interest for receipts issued inside taxis to reliably identify the time, date and the taxi among other things. However, this cannot be enforced unless the EFTPOS machine is attached to the taxi-cab.<sup>410</sup>

**6.16** To facilitate access to detailed receipts, Mr Ramshaw advocated attaching an EFTPOS device to the cab itself:

The reason for regulation of taxis is largely related to accountability of the industry, so that journeys and transactions can be traced and so that issues like lost property, or any sort of dispute over the journey itself, or a matter that arises can be properly investigated, and the parties involved identified ... We think that by making sure that the device that is used to process the transaction is physically linked to the cab will ensure that any record produced as a result of that transaction is inextricably linked to the taxi in which the transaction took place.<sup>411</sup>

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<sup>406</sup> Submission 42, NSW Taxi Council, p 25

<sup>407</sup> Submission 42, p 25

<sup>408</sup> Mr Ramshaw, Evidence, 2 February 2010, p 6

<sup>409</sup> Submission 42, pp 25-26

<sup>410</sup> Submission 42, p 25

<sup>411</sup> Mr Ramshaw, Evidence, 2 February 2010, p 5

**6.17** In regard to the payment of road tolls, Mr Ramshaw noted that passengers may be confused about the amount charged at the end of the journey. He suggested that the installation of a device that would record the toll on the meter, and itemise the amount charged on the passenger's receipt, would help to overcome this issue:

Currently, when you have undertaken a journey, a passenger is liable for road tolls, tolls on the airport or a return toll on the harbour bridge, for example, which may not necessarily be well understood by passengers ... We would like to see a device so that the tolls that are incurred, which are part of the fare, are recorded on the meter ... that information can be itemised on a receipt at the end of the journey so that the passenger pays what is displayed on the meter at the end of the journey.<sup>412</sup>

**6.18** The NSW Taxi Council suggested that NSW Transport and Infrastructure should fund the installation of such toll-meter interface devices and introduce a regulation to make such devices mandatory in Sydney taxis.<sup>413</sup>

**6.19** Mr Mollenhauer opposed the recommendations of the NSW Taxi Council to require that EFTPOS devices be affixed to a taxi: 'We would condemn any agreement on your part to force drivers to use the Taxi Council recommended equipment. We would like to see an open market for drivers and operators to choose which EFTPOS terminals and meters they use and so on'.<sup>414</sup>

**6.20** Mr Mollenhauer also questioned the viability of installing toll-meter interface devices to record tolls on taxi-meters, on the basis that there is no trigger to register the toll at certain locations around the city, most notably the north-bound toll on the Sydney Harbour Bridge. The NSW Taxi Drivers Association was also concerned that as a consequence of this change, drivers would be 'forced' to use a particular type of e-tag.<sup>415</sup>

**6.21** Mr Trevor Bradley, Treasurer and Committee Member, NSW Taxi Drivers Association, observed that an interfaced e-tag device was unnecessary because with 'most of the modern meters you can add in the tolls as an extra so you can actually do it on a meter output'.<sup>416</sup>

**6.22** Whilst Mr Michael Jools, President, Australian Taxi Drivers Association agreed that taxi passengers should receive an itemised receipt, he was concerned about the implications of a mandatory requirement that a taxi have an interfaced device:

The issue that has been maintained through a number of questions is the receipts, EFTPOS requirements and so on in vehicles. I do believe, and it is perfectly appropriate, that every passenger should get a receipt that nominates the driver and the details and the fare ... but to then require that all cabs have a device that enhances

<sup>412</sup> Mr Ramshaw, Evidence, 2 February 2010, p 5

<sup>413</sup> Submission 42, pp 25-26

<sup>414</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 34

<sup>415</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 37

<sup>416</sup> Mr Trevor Bradley, Treasurer and Committee Member, NSW Taxi Drivers Association, Evidence, 2 February 2010, p 38

the monopoly power of one provider - because only one provider can do these things as it stands - is a failing ...<sup>417</sup>

- 6.23** Mr Mollenhauer indicated that the NSW Taxi Drivers Association would prefer that any EFTPOS devices should be owned by the taxi driver, rather than affixed to the taxi itself:

We would like that equipment to be portable and owned by the driver so that the surcharge on the EFTPOS transactions goes to the driver, not to the monopoly ... The EFTPOS terminal as advocated by the Taxi Council would be interfaced to the meter and the e-tag and would necessarily be wired into the car. Whoever owns that equipment would have somewhat of a monopoly if you endorsed it.<sup>418</sup>

- 6.24** Mr Ramshaw acknowledged the concerns expressed by some Inquiry participants in relation to fixing an EFTPOS or toll interface device to a vehicle, but said that: 'It is a matter of setting a standard that we think can be met and anyone who wants to meet the standard is welcome to do so. There are a whole range of providers out there that I am sure are capable of meeting a standard like that'.<sup>419</sup> Mr Ramshaw observed:

I am no technical expert but I am sure the Government has the wherewithal to be able to do these things without conferring any particular advantage or unfair advantage ... the customers in my view do not care where the equipment comes from or how it works or why but they do, in my view, want receipts. They want accountability, traceability of their transactions and certainly secure transactions.<sup>420</sup>

### *Committee comment*

- 6.25** The Committee agrees that all passengers should receive an itemised receipt at the end of their journey that breaks down the elements of the fare into clearly defined categories. Itemised receipts would reduce passenger confusion over how the fare has been calculated, and also reduce the possibility of arguments between driver and passenger about the total of the fare.
- 6.26** The Committee notes the suggestion for the NSW Taxi Council that an EFTPOS device, together with a toll interface device, should be permanently affixed to a taxi to allow the generation of itemised receipts. The Committee acknowledges the opposition of the NSW Taxi Drivers Association to this proposition.

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<sup>417</sup> Mr Michael Jools, President, Australian Taxi Drivers Association, Evidence, 3 February 2010, p 26

<sup>418</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 35

<sup>419</sup> Mr Ramshaw, Evidence, 2 February 2010, p 11

<sup>420</sup> Mr Ramshaw, Evidence, 31 March 2010, p 25

- 6.27** The Committee believes that NSW Transport and Infrastructure should determine what equipment is needed to automatically issue an itemised receipt at the end of each taxi journey, with a view to making this a requirement in all taxis, and bearing in mind the need to maintain a competitive market for EFTPOS or similar equipment.

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### Recommendation 17

That NSW Transport and Infrastructure determine what equipment is needed to automatically issue an itemised receipt at the end of each taxi journey, with a view to making this a requirement in all taxis.

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### Premium fares

- 6.28** The NSW Taxi Council suggested that there is potential for the NSW taxi industry to offer customers the option of paying a premium fare to received a higher standard of taxi service:

Such a system needs to be carefully regulated to ensure that the promise of higher fares does not detract from the customer's right to choose, or the provision of 'normal' taxi services under the current fare structure ... if a premium fare were introduced it must only be offered as an optional alternative, must only apply to pre-booked journey's through authorised taxi networks where the customer has telephoned premium service network and has clearly indicated their choice for a premium service ... The NSW Taxi Council has proposed that a maximum cap be regulated on the amount of any premium service fee and that taxi networks be allowed to develop their own range of services within the maximum amount.<sup>421</sup>

- 6.29** The NSW Taxi Council noted that such a premium system currently operates in both Queensland and Victoria.<sup>422</sup>

- 6.30** The Australian Hotels Association advocated for a small surcharge to be levied on a per trip basis during a specific time period, and noted that the extra payment may provide an incentive for taxi drivers to take on more work, particularly during the riskier periods such as early mornings and on weekends

Our experience tells us when patrons are anxious to get home they would happily pay an additional surcharge (for example \$5.00 per vehicle) to ensure the ready availability of a cab during what is now the period associated with the 3am change-over ... perhaps an incentive of \$5.00 per trip (not per head) would be sufficiently attractive to encourage more drivers to provide a service between 1.30am and 4.30am (or during a slightly longer spread of hours).<sup>423</sup>

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<sup>421</sup> Submission 42, pp 35

<sup>422</sup> Submission 42, pp 35

<sup>423</sup> Submission 39, Australian Hotels Association, p 7

**6.31** The NSW Taxi Drivers Association suggested an alternate system whereby passengers could ‘make offers of bonus payments, in excess of the prescribed rates, in those cases where the passengers’ requirements are unlikely to be met or have not been met under the standard rates’.<sup>424</sup>

**6.32** Mr Mollenhauer explained that a bonus payment could be offered where the passenger believed that the value of the journey was worth more than the metered fare:

It gives people an opportunity to pay what they think the journey is worth to them. If I have teenage daughters waiting at a suburban railway station in the middle of the night having come home from a pop concert, and I have had a shandy or two and cannot drive down to pick them up, I just want someone to go there and get them. I am prepared to pay whatever it costs to get someone to drive there and pick them up ... If that journey is worth that money to the buyer of the journey, let them pay it. Do not force them to pay only as much as the metered fare runs.<sup>425</sup>

**6.33** Mr Mollenhauer said that at present, passengers are unable to offer these incentives to drivers via the networks:

The networks understand that these incentives work - and of course they do - but the passenger is forbidden to relay that incentive offer to the driver. Only the networks can offer it. I want the networks to be required by you to enable a system that allows customers to pay more than the metered fare, to signify their willingness to pay, and to relay that information to the driver.<sup>426</sup>

**6.34** The NSW Taxi Drivers Association felt that it should be possible for passengers to communicate the offer of additional payments over the metered fare directly to the driver:

Direct driver and passenger communication provides the facility to relay customers’ special requests and these arrangements thrive on being able to meet the unique or specific requirements of customers not routinely accommodated by the established booking services ... If the proposed journey is worth more to the intending passenger than standard taxi rates then the government should not stand in the way of a passengers’ willingness to pay.<sup>427</sup>

**6.35** Mr Mollenhauer indicated that trunk radios already allow passengers to offer additional payment above the metered fare:

They have it on the trunks ... But they [passengers] are never forced to. They always have the option of ringing somebody else, or of waiting for a bus, or whatever. We just try to provide what the customers want, but the taxi pricing regulations prevent us from being able to rise to meet what people are prepared to pay for ... We would love to see you authorising over-the-meter payments to be solicited by the networks - not

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<sup>424</sup> Submission 46, NSW Taxi Drivers Association, pp 14-15

<sup>425</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 27

<sup>426</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 29

<sup>427</sup> Submission 46, p 15

compelled or forced - and then relayed to the drivers on behalf of those passengers who are willing to pay.<sup>428</sup>

**6.36** Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, observed that '[w]e already pay different prices for different trips. We pay 20 per cent extra for night-time trips. We pay more for trips, of course. We pay more for longer trips'<sup>429</sup>, with this being another type of difference:

The question is if somebody wants to pay a bit of a premium to wait 5 minutes rather than 20 minutes should that be allowed? ... It would not be a problem if there were enough taxis. What has happened in New Zealand, as I understand, from deregulation - I asked somebody what happens there; I have not studied it, it is sort of second-hand - is that there is now a range of quality. You get a high-quality, very good service for a high price down to low quality and people elect what they want.<sup>430</sup>

**6.37** Dr Abelson also noted that '[t]he market gets round these things ... They[drivers] do not pick up people who are not worth it. It is a tricky question. There are lots of ways in which the market already does charge different prices and taxis do respond to this in different ways'.<sup>431</sup>

**6.38** However, Mr Hirsch expressed concern that the introduction of premium fares as proposed by the NSW Taxi Council 'could open the floodgates to a multitude of 'special service fees'. It could also give rise to various unregulated taxi fees. This should not be conceded lightly because the public has for many years understandably relied on the certainty and security of the meter fare system in NSW'.<sup>432</sup>

**6.39** Some Inquiry participants highlighted that when there is a high demand for taxi services, some taxi drivers engage in 'fare shopping' in an attempt to receive the best possible fare: 'late at night and in the early hours of the morning, taxi drivers routinely drive around with their doors locked and windows virtually closed and select passengers to preferred destinations'.<sup>433</sup>

**6.40** Mr Robert Deves noted that '[t]his behaviour is blatantly anti-competitive and stringently against the role of taxis as public transportation in NSW ... This practice is not only anti-competitive and illegal, it is also extremely dangerous'.<sup>434</sup>

<sup>428</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 28

<sup>429</sup> Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, Evidence, 3 February 2010, p 47

<sup>430</sup> Dr Abelson, Evidence, 3 February 2010, p 47

<sup>431</sup> Dr Abelson, Evidence, 3 February 2010, p 47

<sup>432</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Ted Hirsch, p 7

<sup>433</sup> Supplementary Submission 30a, Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, p 4

<sup>434</sup> Submission 2, Mr Robert Deves, p 1

- 6.41** It was further observed that taxi drivers sometimes turn down fares for short trips. Dr Abelson said that ‘senior citizens in the area where I live have told me that it is hard to get taxis to pick them up for a short trip of 1-2km to local recreational or other facilities... while some of the observations above are anecdotal, the anecdotes are so common that they are highly plausible’.<sup>435</sup>

***Committee comment***

- 6.42** The Committee notes that while there differing views as to how a premium fare system could operate in New South Wales, both taxi drivers and operators are, unsurprisingly, in favour of premium fares.
- 6.43** The Committee is concerned that a premium fare system may result in bidding wars for taxi services, to the detriment of those people who are unable to pay a fare that is greater than the regulated fare set by the Independent Pricing and Regulatory Tribunal. The fare shopping behaviour that is already evident at certain times of the day could proliferate if fare regulations were relaxed.

### **Surcharge on the electronic payment of taxi fares**

- 6.44** An area of particular concern for many Inquiry participants was the 10 per cent surcharge levied on the electronic payment of taxi fares when passengers use debit, credit or Cabcharge cards. Inquiry participants were concerned about the level of the surcharge, and by the amount and use of the revenue generated by the surcharge.

#### **The 10 per cent surcharge**

- 6.45** A 10 per cent surcharge is levied on taxi fares that are paid electronically with either a debit or credit card. This surcharge is applied on top of the entire fare, including the ‘taxi-booking fee, flagfall, waiting time, distance fare, tunnel and bridge tolls and GST’.<sup>436</sup>
- 6.46** The overwhelming majority of the evidence received by the Committee in relation to the surcharge referred to the electronic payments system operated by Cabcharge. The Committee does note that there are a number of other providers of electronic payments system, such as T-Pay, CreditPortal, CabFare and GMCabs.<sup>437</sup>
- 6.47** The Committee notes that the Cabcharge electronic payment system is available in over 95 per cent of Australian taxis, limousines and water taxis.<sup>438</sup> In answers to question on notice, Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, advised that in NSW, the percentage of Cabcharge EFTPOS system installed in taxis has

<sup>435</sup> Supplementary Submission 30a, p 4

<sup>436</sup> *Stateline*, ABC, Cabcharge CEO fronts taxi inquiry, Sydney, 7.30 pm, 9 April 2010

<sup>437</sup> Submission 66, Gravity, p 6; Answers to questions on notice taken during evidence 31 March 2010, Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, pp 1-2

<sup>438</sup> Cabcharge, *Annual Report – 2009*, p 6

grown from 75 per cent in 2000, to 91 per cent as at March 2010. This growth means that, out of the 6561 taxis in the NSW fleet in March 2010, there are 5963 Cabcharge EFTPOS terminals.<sup>439</sup> The Committee notes that some taxis may have more than one EFTPOS terminal.

- 6.48** Mr Kermode noted that charging a 10 per cent surcharge on electronic payments was a common occurrence in the NSW taxi industry for all providers of electronic payments systems:

The service fee of 10 per cent has always been charged by the taxi industry and to this day there are taxi companies that run account systems quite separate to Cabcharge under which I understand they still charge the 10 per cent. So, it is not just something that is restricted to Cabcharge.<sup>440</sup>

- 6.49** Mr Reg Cockburn, owner-operator, Newcastle Taxis, explained how the surcharge operates when a Cabcharge EFTPOS device is used for the transaction:

Cabcharge takes 10 per cent of the fare plus GST. It does not matter whether it is a credit card, a Cabcharge card or a debit card, 10 per cent plus GST is taken ... it does not matter whether it is a card extracting money from a savings account, a cheque account or a credit account, 10 per cent plus GST is still taken by Cabcharge.<sup>441</sup>

- 6.50** Mr Brown called the surcharge ‘galling’:

Every time I use a credit card ... It is not only 10 per cent on the fare, but the service fee comes on top of the GST and gets its own GST again. This is one of the great rorts in Australia. This is just disgusting. It is 10 per cent extra to use my credit card in a cab. For what reason? I was told originally that was a dispensation to pay for the radio room. I said, “The booking fee paid for the radio room. That I am paying when I call the cab.” ... Why am I paying another 10 per cent and a GST on top of my 10 per cent, a tax on a levy? That is the single most galling thing that has been allowed to take place ...<sup>442</sup>

- 6.51** Passenger reactions to the surcharge vary. Mr Cockburn said ‘[a]s a matter of fact I find a lot of my customers are shocked when I tell them that they are going to be up for 10 per cent surcharge’.<sup>443</sup> However, Mr Stewart indicated that he had not received any complaints:

It [the surcharge] appears high but can I just say this, I have not had any complaints ... it seems to be very accepted by government departments and large corporations

<sup>439</sup> Additional answers to questions on notice taken during evidence 31 March 2010, received on 14 May 2010, Mr Reg Kermode, Chairman and Chief Executive Officer, Cabcharge Australia, Annexure A

<sup>440</sup> Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, Evidence, 31 March 2010, p 4

<sup>441</sup> Mr Reginald Cockburn, Owner-operator, Newcastle Taxis, Evidence, 4 February 2010, p 22

<sup>442</sup> Mr Christopher Brown, Managing Director, Tourism and Transport Forum, Evidence, 4 February 2010, p 4

<sup>443</sup> Mr Cockburn, Evidence, 4 February 2010, p 29

and by the number of people who do use Cabcharge on a very regular daily basis, and that has surprised me.<sup>444</sup>

**6.52** The Tourism and Transport Forum noted that the 10 per cent surcharge is excessive in comparison to other similar surcharges: ‘this fee, when compared with similar transactions in restaurants, supermarkets and other retail operations, is exorbitant. An overwhelming majority (88 per cent) of TTF survey respondents found this transaction surcharge unreasonable’.<sup>445</sup>

**6.53** Mr Kermode explained that the disparity in the amount of surcharge levied in taxis and in other retail environments is attributable to the different costs associated with providing an electronic payment system in the different environments:

In reference to the lower surcharges in shops - I think you are in a different environment and you are trying to compare apples with oranges ... You are talking about a totally different environment from some fixed unit in a store or restaurant as compared to the taxi environment, which is a pretty harsh environment spread the length and breadth of Australia. There are a heck of a lot of costs associated with the maintenance and what not of that equipment ... First of all, there are communication fee costs, transaction fee costs and obviously the bank and operational costs associated with it. It is not all the honey and bees people like to think it is.<sup>446</sup>

**6.54** Mr Kermode outlined the capital investment and day-to-day operating costs incurred by Cabcharge in operating their EFTPOS facility:

- payment to card providers (Visa, MasterCard, American Express, Diners Club, JCB, Motorpass) of approximately four per cent as a processing charge
- merchant fee to each of the taxi networks
- cost of installation and maintenance
- research and development costs
- maintenance of computer system back-up capability
- telecommunications costs
- cash flow financing costs
- other related costs, such as the investigation of customer complaints, and mail and insurance costs
- costs associated with providing and maintaining of paper-based facilities.<sup>447</sup>

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<sup>444</sup> Mr Lawrence Stewart, Director, Southern Highlands Taxi Service, Evidence, 4 February 2010, pp 50-51

<sup>445</sup> Submission 56, Tourism and Transport Forum, p 6

<sup>446</sup> Mr Kermode, Evidence, 31 March 2010, pp 5-6

<sup>447</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, p 5; Additional answers to questions on notice taken during evidence 31 March 2010, Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, pp 1-2

- 6.55** Mr Kermode noted in regards to the maintenance costs associated with the providing electronic payment services in taxis:

... it is a very expensive operation having about 19,000 units spread across Australia that require maintenance and what not. Those units have to come back to Sydney for repair and for keeping up with the spares and what not that are required because various States have contracts with Cabcharge. We have to ensure that the system is up and running all the time.<sup>448</sup>

### Origins of the surcharge

- 6.56** It is difficult to determine the origins of the 10 per cent surcharge. Mr Kermode explained:

It was before my time. When I left my previous employment, purchased my first licence and came into the industry in 1965, I had nothing to do with the administration of the industry. There was a 10 per cent fee. I do not know the history of that fee. Everybody that I knew applied it and they provided a credit facility to customers. I do not know the magic of that 10 per cent.<sup>449</sup>

- 6.57** Mr Kermode emphasised that the introduction of the surcharge was not attributable to Cabcharge: 'prior to the commencement of Cabcharge all taxi groups had their own systems and always charged 10 per cent. That was prior to Cabcharge. That was not an innovation of Cabcharge or myself'.<sup>450</sup>

- 6.58** Mr Brown noted that the service charge is a national issue: 'Originally, five years ago, the RBA [Reserve Bank of Australia] made a landmark decision, one of the first countries in the world, to allow surcharging for credit cards ... No-one surcharges more than 2 per cent effectively'.<sup>451</sup>

- 6.59** Mr Kermode also noted that the Reserve Bank of Australia had expressed its support for surcharging on electronic payments:

It goes back to the Reserve Bank of Australia/Australian Competition and Consumer Commission review into surcharging ... I recall the finding was that surcharging was in fact a good thing and it was of value to the community. It was seen to be in the public interest for surcharges to apply.<sup>452</sup>

- 6.60** Mr Wielinga advised that whilst he was aware of the issue of the 10 per cent surcharge, decisions pertaining to consumer credit and legal tender fall within the national jurisdiction:

If you are dealing with issues about regulation of legal tender and so forth, that is a Federal issue. If you are dealing with the regulation of consumer credit, that is also a matter for the Commonwealth Government through the Australian Securities and

<sup>448</sup> Mr Kermode, Evidence, 31 March 2010, p 21

<sup>449</sup> Mr Kermode, Evidence, 31 March 2010, p 22

<sup>450</sup> Mr Kermode, Evidence, 31 March 2010, p 3

<sup>451</sup> Mr Brown, Evidence, 4 February 2010, p 8

<sup>452</sup> Mr Kermode, Evidence, 31 March 2010, p 5

Investments Commission. Allegations of breaches of the Trade Practices Act are a Commonwealth Act as well. Any abuses of monopoly power are a matter for the ACCC ... People can use cash to pay for taxis at the time, but at the end of the day those issues are dealt with at a national level so that there is a consistent approach around Australia when you are dealing with consumer credit and monopoly powers.<sup>453</sup>

### Revenue generated by the surcharge

- 6.61** There is a range of estimates as to what percentage of taxi fares are paid via electronic means. The Gravity organisation, providers of the T-Pay system for paying taxi fares (an alternative to Cabcharge), estimated that 39 per cent of taxi fares are non-cash based, with 26 per cent paid via credit card and 13 per cent paid by Cabcharge instrument, generating approximately \$135 million in revenue.<sup>454</sup>
- 6.62** Mr Cockburn, an owner-operator of a taxi in the Newcastle area advised that: ‘The amount of EFTPOS transactions I have processed during the last twelve month period was 17.5%’.<sup>455</sup>
- 6.63** Mr Kermode said in regard to the percentage of non-cash payments: ‘To the best of my knowledge and from the information that we have available we believe it is somewhere between 27 and 30 per cent is paid for by credit’.<sup>456</sup>
- 6.64** Dr Abelson suggested that the proportion of non-cash payments was higher, at approximately 50 per cent: ‘In Sydney alone, the normal assumption’s about 50 per cent of taxi trips are paid by credit and the average trip is about \$22, so that’s \$2 on about 30 million trips. So in Sydney alone Cabcharge will be getting \$60 million in revenue and its costs must be a fraction of that’.<sup>457</sup>
- 6.65** Dr Abelson estimated that would be ‘a mark up of about 200 per cent, which is an extraordinary mark up on any business ... In all business a 20 or 30 per cent mark up is doing quite reasonably. 200 per cent is a monopoly mark up’.<sup>458</sup>
- 6.66** The Cabcharge Annual Report 2009 indicated that approximately \$87.5 million was generated from taxi service fee revenue in the year ended 30 June 2009.<sup>459</sup> Taxi service fee revenue is defined as being ‘recognised upon billing of the service to the customer and is disclosed net of Goods and Services Tax (GST) and third party credit card commissions, where applicable’.<sup>460</sup>

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<sup>453</sup> Mr Les Wielinga, Director General, NSW Transport and Infrastructure, Evidence, 31 March 2010, p 42

<sup>454</sup> Submission 66, p 2

<sup>455</sup> Answers to questions on notice taken during evidence 4 February 2010, Mr Reginald Cockburn, Owner-operator, Newcastle Taxis, p 1

<sup>456</sup> Mr Kermode, Evidence, 31 March 2010, p 15

<sup>457</sup> *Stateline*, ABC, Cab Monopoly, Sydney, 7.30 pm, 26 March 2010

<sup>458</sup> *Stateline*, ABC, Cabcharge CEO fronts taxi inquiry, Sydney, 7.30 pm, 9 April 2010

<sup>459</sup> Cabcharge, *Annual Report – 2009*, p 39

<sup>460</sup> Cabcharge, *Annual Report – 2009*, p 35

- 6.67** Mr Kermodé observed that non-cash payments for fares were becoming increasingly common, stating that ‘anybody would be a fool to deny that there is a change in customer behaviour because, you know, we all know how difficult it is to get your hands on cash these days ... I think that we would see cash as our major competitor’.<sup>461</sup>
- 6.68** Mr Ramshaw noted that reducing the number of cash transactions in taxis will assist to improve driver safety, and is therefore a high priority for the industry:
- ... customers’ confidence in cashless payment systems is a very important aspect of driver safety. Reducing cash in cabs is certainly a high priority for the industry and this applies around the world in justifying moves to encourage electronic payment systems.<sup>462</sup>
- 6.69** However, Mr Kermodé explained that the increasing use of non-cash transactions did not necessarily translate into an increased usage of Cabcharge payment cards:
- ... there has been a huge move towards bank-issued cards rather than any other cards ... Businesses in Australia are not necessarily going to have a Cabcharge card; they are more likely to have an overseas card, or an American Express card, or a Diners card, or whatever cards are available to them internationally. So you are not talking about the localised market.<sup>463</sup>
- 6.70** The Committee notes that the surcharge applies equally to Cabcharge and other cards, such as Visa or Diners Club.
- 6.71** Inquiry participants were particularly concerned that none of the Cabcharge surcharge is paid to taxi drivers. Mr Brown was said of the surcharge levied by Cabcharge:
- It sticks out like the proverbial thumb. That is not going to the driver but to Cabcharge. If that was, maybe, a dedicated fund that went into driver training, safety improvements, technology in a cab or customer service improvements that is fine but it does not, it goes to Cabcharge’s bottom line.<sup>464</sup>
- 6.72** One submission author suggested that taxi drivers should not be used as ‘slave labour’ to collect the surcharges, and that ‘[i]f drivers continue collecting these surcharges, they should keep 50% of whatever they collect’.<sup>465</sup>

### **Alternate providers of electronic payment systems**

- 6.73** The NSW Taxi Council advised that there are seven suppliers of EFTPOS equipment:
- Cabcharge
  - LiveTaxiEpay

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<sup>461</sup> Mr Kermodé, Evidence, 31 March 2010, p 16

<sup>462</sup> Mr Ramshaw, Evidence, 31 March 2010, p 25

<sup>463</sup> Mr Kermodé, Evidence, 31 March 2010, pp 15-16

<sup>464</sup> Mr Brown, Evidence, 4 February 2010, p 8

<sup>465</sup> Submission 26, Name suppressed, p 1

- CreditPortal
- CabFare
- Suncorp
- GMCabs
- Cabbiexpress International.<sup>466</sup>

**6.74** The Committee is also aware of the T-Pay payment system, which operates via mobile phone networks to transmit relevant fare payment information to passengers, drivers and financial institutions.<sup>467</sup>

**6.75** One of the main benefits of using the non-Cabcharge system is that a percentage of the surcharge is paid to the owner-operator, as outlined by Mr Cockburn: ‘With the new system offered two months ago, which some operators have taken up, 5 per cent of that 10 per cent comes back to the owner-operator ... There is still a 10 per cent plus GST charge to the customer, but 5 per cent comes back to the owner-operator’.<sup>468</sup>

**6.76** Mr Cockburn noted that although there are alternate providers of EFTPOS machines, these machines are not able to process Cabcharge cards. This results in some taxi operators electing to have two machines in the vehicle:

Two options have been available recently. Another provider came along to the owner-operators’ association just before Christmas and offered to put a second EFTPOS system into taxis. Some operators have elected to do that. They have a Cabcharge EFTPOS system and the other system. I cannot remember its name. The only problem I saw with that is that you have to have two systems in the taxi, which takes up more room. The new system on offer from the other company will also not accept Cabcharge dockets. If someone has an electronic Cabcharge docket it cannot be put through that system, it has to go through the Cabcharge system ...<sup>469</sup>

**6.77** The Committee notes that in NSW, there are 5963 Cabcharge EFTPOS terminals installed in taxis, out of a fleet of 6561 taxis, meaning that Cabcharge EFTPOS terminals are installed in 91 per cent of taxis in NSW.<sup>470</sup> The Committee further notes that some taxis may have more than one EFTPOS terminal.

**6.78** Mr Cockburn explained that ‘[y]ou have to have one [a Cabcharge EFTPOS device] to process Cabcharge dockets, otherwise you lose income’.<sup>471</sup>

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<sup>466</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Ramshaw, pp 1-2

<sup>467</sup> Submission 66, pp 7-9

<sup>468</sup> Mr Cockburn, Evidence, 4 February 2010, p 23

<sup>469</sup> Mr Cockburn, Evidence, 4 February 2010, p 22

<sup>470</sup> Additional answers to questions on notice taken during evidence 31 March 2010, received on 14 May 2010, Mr Reg Kermodé, Chairman and Chief Executive Officer, Cabcharge Australia, Annexure A

<sup>471</sup> Mr Cockburn, Evidence, 4 February 2010, p 22

- 6.79** Mr Peer Lindholdt, editor of *OZ Cabbie*, also commented on the need for taxi drivers to carry two operating systems:

While the company's competitors can process all bank issued cards (credit, charge and debit) through their EFTPOS terminals, they cannot process Cabcharge cards or e-Tickets. This has created the ridiculous situation in Sydney and elsewhere of most taxis carrying two EFTPOS terminals, one to take Amex, Visa, Master Card etc. and one exclusively for Cabcharge products.<sup>472</sup>

- 6.80** Despite the inability to process Cabcharge payment products on non-Cabcharge EFTPOS devices, Mr Kermode asserted that 'any cab owner can install any type of machine they want in their cab':

We have no means of preventing that competition ... Cabcharge represents only a small percentage of the overall fares that the driver is involved in. We do not have a huge base like Visa or other people do. We do not have a card base as big as that by any stretch of the imagination.<sup>473</sup>

- 6.81** Mr Kermode further noted that the marketplace for electronic payment devices was becoming increasingly diverse, and refuted claims that Cabcharge has a monopoly in the electronic payments market:

... there are more and more of the machines becoming available that are not necessarily Cabcharge machines out there in the marketplace - what we would loosely call handheld devices. We do not have any - everybody seems to think we have a monopoly on the market. I can assure you we do not.<sup>474</sup>

- 6.82** Mr Kermode also commented that passengers retain the right to pay cash:

People have always had the right and still have the right to pay cash. That is the customer's choice. We always sought clearance and everything we did was subject to review by the Australian Competition and Consumer Commission [ACCC]. Every merchant service agreement was approved and run by the ACCC. It was clear that what we were doing was cleared by them. We make no apology for that.<sup>475</sup>

- 6.83** Mr Kermode advised the Committee that, if an appropriate financial agreement could be reached, Cabcharge would allow their technology to be used in non-Cabcharge systems:

... it would be very expensive technology to have to be developed for that and I am not so sure that those people would be prepared, but if they are prepared to pay the fees that we would be entitled to receive for all the research and what not that we have done over the years and the development costs, certainly, why not.<sup>476</sup>

<sup>472</sup> Submission 49, Mr Peer Lindholdt, pp 2-3

<sup>473</sup> Mr Kermode, Evidence, 31 March 2010, p 6

<sup>474</sup> Mr Kermode, Evidence, 31 March 2010, p 16

<sup>475</sup> Mr Kermode, Evidence, 31 March 2010, p 5

<sup>476</sup> Mr Kermode, Evidence, 31 March 2010, p 7

**Current reviews of the electronic payment system**

- 6.84** There are currently two other investigations underway into the NSW taxi industry, as well as this Inquiry. The Australian Competition and Consumer Commission (ACCC) and the Independent Pricing and Regulatory Tribunal are both examining issues relating to the industry, including the electronic payment of taxi fares.

***Australian Competition and Consumer Commission***

- 6.85** The ACCC is currently undertaking legal proceedings against Cabcharge Australia Limited for alleged breaches of the *Trade Practices Act 1974* in relation to its conduct in the Australian taxi industry.
- 6.86** One of the matters under consideration is the refusal of Cabcharge to ‘enter into agreements with competing suppliers of processing services that would have allowed Cabcharge’s payment products to be processed through alternative EFTPOS terminals’.<sup>477</sup> The ACCC has also alleged that Cabcharge has ‘used its market power to supply a significant number of taxi meters and fare schedule updates either free of charge or below cost for anti-competitive purposes in relation to taxi meters and processing services’.<sup>478</sup>
- 6.87** Cabcharge has until mid-2010 to respond to the ACCC’s allegations.<sup>479</sup>

***Independent Pricing and Regulatory Tribunal***

- 6.88** In its submission to the Inquiry, IPART identified several areas of concern in relation to the NSW taxi industry: ‘Submissions received during our fare reviews have identified unequal market power, the limited accountability of networks and the lack of transparency within the taxi industry as issues of concern for industry participants and for taxi drivers in particular’.<sup>480</sup>
- 6.89** As part of the 2010 review of taxi fares, IPART will consider the protection of consumers from abuses of monopoly power in the taxi industry, together with prices, pricing policies and standards of service.<sup>481</sup>
- 6.90** IPART’s final report is due by the end of June 2010.

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<sup>477</sup> Australian Competition and Consumer Commission, ‘ACCC institutes action against industry giant Cabcharge’, *Media Release*, 26 June 2009

<sup>478</sup> Australian Competition and Consumer Commission, ‘ACCC institutes action against industry giant Cabcharge’, *Media Release*, 26 June 2009

<sup>479</sup> Mr Kermode, Evidence, 31 March 2010, p 3

<sup>480</sup> Submission 38, Independent Pricing and Regulatory Tribunal, p 1

<sup>481</sup> Independent Pricing and Regulatory Tribunal, *2010 Review of Taxi Fares in NSW - Annual review of fares and consideration of flat fares between Sydney Airport and Sydney CBD, Transport – Discussion Paper*, March 2010, p 47

*Committee comment*

- 6.91** The Committee considers that the issue of the 10 per cent surcharge is a matter of extreme public interest. The evidence reveals the 10 per cent fee was an historical charge for the provision of credit. What has occurred with the introduction of the electronic payment systems is that the existing 10 per cent surcharge has then been applied as a transaction fee on electronic payments. By comparison with surcharges levied on electronic payments in other industries, the level of this surcharge is excessive. Although the exact proportion of taxi fares paid electronically is unclear, it is evident that it is continually increasing.
- 6.92** Historical practice is not a transparent or reasonable justification for maintaining the level of the surcharge at 10 per cent of the fare. The Committee notes the explanation given by Mr Kermode that the surcharge incorporates transaction and maintenance costs that are associated with the current payment technology.
- 6.93** In particular, given current technologies, it is difficult to see that the differences in operating costs for an electronic payment system between a non-fixed environment such as a taxi and a fixed retail environment would be so markedly different as to justify the disparity in the level of surcharge.
- 6.94** The Committee notes that the ACCC has commenced legal proceedings in the Federal Court against Cabcharge Australia Limited in relation to their electronic payment system, and believes that the outcome of this case will have ongoing implications for all electronic payment systems used in NSW taxis.
- 6.95** Regardless of the outcome of this case, the Committee considers that the Minister for Finance should request that the Federal Minister for Finance and Deregulation reviews the 10 per cent surcharge levied on the electronic payment of taxi fares, including determining the origins of the surcharge, the costs of operating electronic payment systems in taxis, and the impact of the surcharge on consumers. The Committee also believes that NSW Transport and Infrastructure should investigate whether there are any actions that the Department can take to regulate electronic transaction fees within the NSW taxi industry.

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**Recommendation 18**

That the Minister for Finance request that the Federal Minister for Finance and Deregulation review, in light of general level of service fees charged across various industries, the 10 per cent surcharge levied on the electronic payment of taxi fares.

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**Recommendation 19**

That NSW Transport and Infrastructure investigate whether there are actions that can be undertaken by the Department to regulate electronic transaction fees within the NSW taxi industry.

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**Recommendation 20**

That a feasibility study be undertaken into a NSW government-run licensed and regulated payment system that is part of the planned integrated public transport ticketing system.

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## Chapter 7 Wheelchair accessible taxis

This Chapter discusses the provision of wheelchair accessible taxis as a component of the NSW taxi industry, beginning by outlining the legislative requirements imposed on government and industry to provide accessible and equitable transport services to people with a disability. The Chapter examines the availability of wheelchair accessible taxis in Sydney, and in regional and rural New South Wales. The Chapter then discusses term of reference (e), with specific regard to two aspects of the Disability Standards for Accessible Public Transport: firstly, the requirement that response times for standard and wheelchair accessible taxis be equal, and secondly, space dimensions for accessible taxis.

### Wheelchair accessible taxis in New South Wales

- 7.1** A wheelchair accessible taxi (WAT) is a vehicle that has been specially modified to safely accommodate between one and three wheelchairs.<sup>482</sup> These vehicles are a critically important mode of transport used to assist members of the community with mobility issues to meet work, personal, medical and social commitments.
- 7.2** Approximately 1.2 million people in NSW have a disability and of these, approximately one third (383,200) reside in regional and rural areas.<sup>483</sup> Two key transport-related issues facing people with a disability are that 485,000 people are not able to, or have difficulty accessing public transport; and 149,900 people are unable to use any form of public transport.<sup>484</sup>
- 7.3** In addition, the proportion of the NSW population aged 65 years and over has increased from 8.9 percent in 1974 to 14 percent in 2007.<sup>485</sup> As the percentage of older people in the population continues to rise, mobility issues and the incidence of disability will become more common, resulting in an increased need for accessible transport including WATs.<sup>486</sup>

<sup>482</sup> NSW Transport and Infrastructure < [www.transport.nsw.gov.au/taxi/wheelchair](http://www.transport.nsw.gov.au/taxi/wheelchair)> (accessed 2 March 2010)

<sup>483</sup> Submission 35 - Appendix A, Mr Patrick Maher (National Disability Services NSW), National Disability Services NSW, *Transport as an Enabler for the Social and Economic Participation of People With Disability in NSW*, January 2010, p 4

<sup>484</sup> Australian Bureau of Statistics, *Cat No 4430.0 Disability, Ageing and Carers, Table 17, Persons with a disability aged 5 and over, Living in Households, Disability Status by use of public transport – NSW 2003*

<sup>485</sup> Australian Bureau of Statistics, *Population Ageing in New South Wales*, Cat 4106.1 < <http://www.abs.gov.au/Ausstats>> (accessed 3 March 2010)

<sup>486</sup> Ministry of Transport, *Wheelchair Accessible Taxi Taskforce, Taskforce Report*, November 2005, p 17

## The legislative framework

7.4 As detailed in Chapter 2, the *Passenger Transport Act 1990*, the *Passenger Transport Amendment (Taxi Licensing) Act 2009* and the *Passenger Transport Regulation 2007* provide the legislative framework for the NSW taxi industry. Specifically in relation to WATs, the legislation specifies that a WAT must:

- be fitted with a hoist, or equipped with a ramp, allowing for safe access for wheelchair users
- carry wheelchair restraints that enable the wheelchair/s to be safely and securely attached to the taxi
- be driven only by a person who has successfully completed training provided by a registered training organisation in respect of the care and transport of persons with a disability
- not change drivers between the hours of 12 noon and 5 pm daily
- display signage indicating that the taxi is wheelchair accessible.<sup>487</sup>

### Anti-Discrimination Act 1977 (NSW)

7.5 Under the *Anti-Discrimination Act 1977 (NSW)* it is unlawful to discriminate against a person who has a disability, or who is presumed to have a disability.<sup>488</sup> Discrimination can be said to occur if a person is treated unfairly or less favourably than someone else who does not have a disability.<sup>489</sup>

7.6 The Act states:

- (1) It is unlawful for a person who provides, for payment or not, goods or services to discriminate against a person on the grounds of disability:
  - a) by refusing to provide the person with those goods or services, or
  - b) in the terms on which he or she provides the person with those goods or services.<sup>490</sup>

7.7 Transport services, including taxis, are defined as ‘goods and services’. A person cannot be refused access to a transport service, or receive an inferior level of service, because of a disability, unless it would cause the provider of the service unjustifiable hardship.<sup>491</sup>

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<sup>487</sup> Passenger Transport Regulation 2007 Pt 8, Div 1, cl 108

<sup>488</sup> *Anti-Discrimination Act 1977* Pt 4A

<sup>489</sup> Discrimination and the Anti-Discrimination Board of NSW, *NSW Anti-Discrimination Board (ADB) Fact sheet* <[www.lawlink.nsw.gov.au/lawlink/adb](http://www.lawlink.nsw.gov.au/lawlink/adb)> (accessed 2 March 2010)

<sup>490</sup> *Anti-Discrimination Act 1977* s 49M

<sup>491</sup> *Anti-Discrimination Act 1977* s 49M

### Disability Discrimination Act 1992 (Cth)

- 7.8 The *Disability Discrimination Act 1992 (Cth)* prohibits discrimination against people with a disability. The Act specifies that it is unlawful for a person who provides goods or services to discriminate against another person on the ground of the other person's disability by refusing to provide the person with those services.<sup>492</sup>
- 7.9 Ms Joanna Shulman, Principal Solicitor and Director, NSW Disability Discrimination Legal Centre, explained the requirement to comply with the legislation: 'if an act or practice causes disadvantage to a person with a disability and it is reasonably possible to do something different to alleviate that disadvantage, then not doing something differently is a breach of the *Disability Discrimination Act*'.<sup>493</sup>
- 7.10 Section 31(1) of the *Disability Discrimination Act 1992* provides the relevant Minister, in this instance the Commonwealth Attorney-General, with the authority to formulate disability standards.<sup>494</sup> It is unlawful for any person to contravene a disability standard.<sup>495</sup>

### Disability Standards for Accessible Public Transport 2002

- 7.11 The Disability Standards for Accessible Public Transport (DSAPT) were released on 23 October 2002 and define the responsibilities of operators and providers of public transport under the *Disability Discrimination Act 1992*.<sup>496</sup> National Disability Services NSW advised that the Standards 'sets out a requirement that all public transport infrastructure, conveyances and amenities be compliant within a 30 year period from 2002'.<sup>497</sup>
- 7.12 The DSAPT require taxi operators and providers to implement measures that will remove discrimination and provide accessible taxi services and infrastructure for people with a disability.<sup>498</sup>

<sup>492</sup> *Disability Discrimination Act 1992 (Cth)* s 24

<sup>493</sup> Ms Joanna Shulman, Principal Solicitor and Director, NSW Disability Discrimination Legal Centre, Evidence, 2 February 2010, p 40

<sup>494</sup> *Disability Discrimination Act 1992 (Cth)* s 31(1)

<sup>495</sup> *Disability Discrimination Act 1992 (Cth)* s 32

<sup>496</sup> Department of Infrastructure, Transport, Regional Development and Local Government, *Transport for People with Disabilities* <[www.infrastructure.gov.au/roads/passengers/disabilities](http://www.infrastructure.gov.au/roads/passengers/disabilities)> (accessed 4 December 2009)

<sup>497</sup> Submission 35, National Disability Services NSW, p 2

<sup>498</sup> The Allen Consulting Group, *Review of the Disability Standards for Accessible Public Transport, Draft Report*, December 2007, p 42  
<[http://www.ema.gov.au/www/agd/agd.nsf/Page/Humanrightsandanti-discrimination\\_DisabilityStandardsforAccessiblePublicTransport](http://www.ema.gov.au/www/agd/agd.nsf/Page/Humanrightsandanti-discrimination_DisabilityStandardsforAccessiblePublicTransport)> (accessed 20 January 2010)

**7.13** In relation to WATs, the DSAPT set the following requirements:

- minimum size of the spatial footprint on the vehicle floor and the minimum head room in the allocated space
- minimum height of the doorway to accommodate a wheelchair
- use of boarding ramps, including the width of ramps, gradient of ramps and situations in which direct assistance should be provided
- payment of fares
- tactile taxi registration numbers.<sup>499</sup>

**7.14** The DSAPT also specify minimum standards for taxi infrastructure, including:

- access paths, manoeuvring, areas, ramps, passing areas, resting points, waiting areas and the use of Tactile Ground Surface Indicators (TGSI) at designated areas where taxis are being accessed, such as taxi ranks
- boarding points where people get into taxis
- safety aspects around taxi infrastructure, including surface areas, lighting, handrails and grabrails
- signage designating taxi areas, as well as the use of symbols and the provision of information on services, and
- booking services.<sup>500</sup>

**7.15** The DSAPT compliance timetable specified that by 31 December 2007 the average response time for WATs should be the same as the average response time for all taxis.<sup>501</sup> The performance of the NSW taxi industry in achieving compliance with the DSAPT was a critical issue during the Inquiry, and is discussed later in this Chapter.

### **United Nations Convention on the Rights of Persons with Disability**

**7.16** Australia ratified the United Nations Convention on the Rights of Persons with a Disability on 17 July 2008. Article 9 of the Convention states that:

To enable persons with disabilities to live independently and participate fully in all aspects of life, State Parties shall take appropriate measures to ensure to persons with disabilities access, on an equal basis with others, to the physical environment, to transportation, to information and communications, including information and

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<sup>499</sup> The Allen Consulting Group, *Review of the Disability Standards for Accessible Public Transport, Draft Report*, December 2007, p 42

<sup>500</sup> The Allen Consulting Group, *Review of the Disability Standards for Accessible Public Transport, Draft Report*, December 2007, p 42

<sup>501</sup> The Allen Consulting Group, *Review of the Disability Standards for Accessible Public Transport, Draft Report*, December 2007, p 42

communications technologies and systems, and to other facilities and services open or provided to the public, both in urban and in rural areas.<sup>502</sup>

- 7.17** People With Disability Australia Incorporated emphasised the importance of the Convention in ensuring independence and access to the community:

The ability to live independently and access one's own community is a fundamental human right that is addressed within the CRPD [Convention on the Rights of Persons with a Disability]. For many people with disability taxi transportation is the safest and most accessible form of transport. However, taxi transportation is not without its problems. As public transport remains largely inaccessible to many people with disability they must therefore rely on taxi services for transport to get to work, socialise with family and friends, to shop, and to attend medical and other appointments.<sup>503</sup>

## The availability of wheelchair accessible taxis

### The critical role of wheelchair accessible taxis

- 7.18** Inquiry participants highlighted the critical role that WATs play in facilitating access to all aspects of life for all members of the community. Ms Alison Peters, Director, Council of Social Services of NSW (NCOSS), said:

Transport allows access to work, education, study, health, recreation, leisure and social activities ... We see taxis as an important service as part of the spectrum of transport options available that will assist disadvantaged and vulnerable people in communities to meet their obligations and lead as normal lives as they can.<sup>504</sup>

- 7.19** The Disability Council of NSW observed that people with disability are more reliant on taxis as a transport option than people without disability:

People with disability, particularly wheelchair users and people who are legally blind, use taxis disproportionately more than the population as a whole. Whilst for many people living in NSW, a taxi journey may still be a comparatively infrequent occurrence (often associated with special, urgent and / or important life events) for people with disability who depend on door to door transport by virtue of their disabling condition, taxis are an essential part of the public transport system; not an optional luxury.<sup>505</sup>

<sup>502</sup> United Nations, *United Nations Convention on the Rights of Persons with Disability* <[www.un.org/disabilities/documents/convention/convoptprot-e.pdf](http://www.un.org/disabilities/documents/convention/convoptprot-e.pdf)> (accessed 2 March 2010)

<sup>503</sup> Submission 8, People With Disability Australia Incorporated, p 1

<sup>504</sup> Ms Alison Peters, Director, Council of Social Services of NSW, Evidence, 3 February 2010, p 12

<sup>505</sup> Submission 43, Disability Council of NSW, p 1

**7.20** Mr Dougie Herd, Executive Officer, Disability Council of NSW explained that people with disability often ‘do not have the same opportunity to travel in the same way as members of the general public currently travel’, increasing the importance of taxis as a public transport option:

... it needs to be understood that people with a disability have a right to be treated equally. It is enshrined in domestic, State and international law. If, as the taxi industry rightly says, it wishes to be understood as an essential component of the public transport system it must treat all members of the public equally and fairly.<sup>506</sup>

**7.21** Mr Simon Darcy, a user of wheelchair accessible taxis, noted that while there had been ‘improvements in all aspects of WATs from the deplorable state of service when I first started using the system in 1983’, there are nonetheless ‘still significant issues that result in consumers with disabilities being treated as second class citizens’.<sup>507</sup>

### **Number of wheelchair accessible taxis in New South Wales**

**7.22** There has been a gradual increase in the number of WATs operating in NSW over the past three decades. In 1983, there were 26 WATs operating in NSW, equating to approximately 0.5 per cent of the total taxi fleet. By 1987, the WAT fleet had increased to 475, and numbers have continued to grow.<sup>508</sup>

**7.23** Despite this growth, the Human Rights and Equal Opportunity Commission Wheelchair Accessible Taxi Inquiry Report 2001 found that as a percentage of its taxi fleet, NSW had the second lowest proportion of accessible taxis in Australia.<sup>509</sup>

**7.24** Mr Les Wielinga, Director General, NSW Transport and Infrastructure advised that there are 743 WATs in NSW in 2010:

There are currently 743 WAT taxis in NSW and the number of WATs has continued to increase every year as a result of initiatives to support their operation. Since July 2005, the number of WAT taxis has increased by 76% in Sydney and by 56% across NSW. As a result, NSW has one of the largest WAT fleets in Australia.<sup>510</sup>

<sup>506</sup> Mr Dougie Herd, Executive Officer, Disability Council of NSW, Evidence, 3 February 2010, p 2

<sup>507</sup> Submission 61, Mr Simon Darcy, p 1

<sup>508</sup> Submission 45, NSW Transport and Infrastructure, p3

<sup>509</sup> Human Rights and Equal Opportunity Commission, *Wheelchair Accessible Taxi Inquiry Report: Findings and Directions* <[www.humanrights.gov.au/disability\\_rights/inquiries/taxi/report.htm](http://www.humanrights.gov.au/disability_rights/inquiries/taxi/report.htm)> (accessed 17 February 2010)

<sup>510</sup> Answers to questions on notice taken during evidence, 2 February 2010, Mr Les Wielinga, Director General, NSW Transport and Infrastructure, p 13

**7.25** Table 7.1 illustrates the growth in WATs across NSW since 2005. Based on these figures provided by NSW Transport and Infrastructure, WATs currently comprise 11% of the total NSW taxi fleet.

**Table 7.1 Wheelchair Accessible Taxis in NSW<sup>511</sup>**

	As at February 2010		As at July 2005	
	Number	% of taxi fleet	Number	% of taxi fleet
Sydney	527	10%	300	6%
Newcastle	13	8%	8	5%
Wollongong	9	7%	10	7%
Country – varies locally	194	19%	159	14%
<b>TOTAL NSW</b>	<b>743</b>	<b>11%</b>	<b>477</b>	<b>7.7%</b>

**7.26** The growth in the WAT fleet has been assisted by a number of initiatives introduced by NSW Transport and Infrastructure, including:

- short term WAT licences that are available for \$1000 per annum in metropolitan areas and at no cost in regional and rural NSW
- driver incentive payment of \$8.47 for each wheelchair passenger to encourage drivers to accept WAT bookings
- improvements in compliance monitoring to ensure that licence conditions are being observed.<sup>512</sup>

**7.27** NSW Transport and Infrastructure has introduced other measures to encourage the take up of WAT licences, including:

- reimbursing WAT drivers the cost of compulsory training
- providing interest free loans of up to \$30,000 to country operators wishing to purchase a WAT or convert a standard vehicle to a WAT, provided that sufficient demand is demonstrated
- extending the standard life of a WAT to 10 years, as compared to six years for a metropolitan transport district standard taxi and eight years for a standard taxi based in a regional or rural location.<sup>513</sup>

<sup>511</sup> Answers to questions on notice taken during evidence, 2 February 2010, Mr Wielinga, p 13

<sup>512</sup> Submission 45, p 3

<sup>513</sup> Professor Des Nicholls, *The Australian National University Transporting the Wheelchair Dependent – A review of the Wheelchair Accessible Taxi Industry*, School of Management, Marketing and International Business, College of Business and Economics for the Australian Taxi Industry Association February 2007, p 27

- 7.28** NSW Transport and Infrastructure indicated that it would continue initiatives aimed at encouraging growth in the WAT fleet.<sup>514</sup> Mr Wielinga stressed the Department's desire to achieve parity between the services provided by standard and WAT taxis, advising the Committee that 'we are continuing to look at policies so that we can get good parity there'.<sup>515</sup>

### **Variations in the availability of wheelchair accessible taxis**

- 7.29** Inquiry participants noted that there can be a disparity in the availability of WATs across different geographic areas in the Sydney region.
- 7.30** Ms Jordana Goodman, Policy Officer, Physical Disability Council of NSW, said in regard to availability that 'on the whole there have been improvements except for some of the black spots', and observed that the known black spots in Sydney are the Liverpool and Campbelltown areas, Penrith and the western suburbs, and the northern beaches.<sup>516</sup>
- 7.31** Spinal Cord Injuries Australia also commented on the unequal availability of WATs across the Sydney metropolitan area, advising that the WAT fleet is 'not distributed evenly. For instance if I want a WAT in Penrith there is no chance of getting one for some time and in contrast if I want one in Paddington I can almost hail one on the street corner'.<sup>517</sup>
- 7.32** Mr Greg Killeen, a user of WATs, explained that while 'there are obvious black spots: the northern beaches, regional areas', there were a number of other factors impacting on availability:

Everything is not just black and white. It depends on the time of the day and where you live. Are there enough cabs out in Blacktown or Penrith? I do not know. People are complaining that they are still waiting a long time to be picked up, and that reflects the response times in the data. But if you live in the eastern suburbs or the CBD, there are stacks of wheelchair cabs.<sup>518</sup>

- 7.33** The NSW Disability Discrimination Legal Centre Inc and the Physical Disability Council of NSW reiterated that there are variations in the supply of WATs at different times of the day, indicating that WAT passengers 'noted that it was difficult to get WATs during school drop-off and pick-up times as they were engaged in the transportation of school children'.<sup>519</sup>

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<sup>514</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 13

<sup>515</sup> Mr Les Wielinga, Director-General, NSW Transport and Infrastructure, Evidence, 2 February 2010, p 14

<sup>516</sup> Ms Jordana Goodman, Policy Officer, Physical Disability Council of NSW, Evidence, 2 February 2010, p 40

<sup>517</sup> Submission 62, Spinal Cord Injuries Australia, p 12

<sup>518</sup> Mr Greg Killeen, Evidence, 4 February 2010, p 36

<sup>519</sup> Submission 14, NSW Disability Discrimination Legal Centre Inc and Physical Disability Council of NSW, pp 5-6

- 7.34** Ms Goodman also observed the particular problems that are experienced during the mid-afternoon on schooldays:

A lot of the cabs do other contract work in the afternoon from about 2.30 to about 3.30 and it is much harder to get a cab because they all doing work for the Department of Education. I know people who do not bother using cabs on the weekends or in the evening because they know that they are unreliable.<sup>520</sup>

- 7.35** Ms Shulman explained the impact that the variable supply in WATs can have on workplaces:

... at the Disability Discrimination Legal Centre half of our employees have a physical disability. We have started scheduling meeting times and meeting locations - regardless of whether we do or do not need taxis - around when taxis are likely to be available because it is such a problem, regardless of whether the booking is a regular booking or it is made three days in advance. There is a shortage of taxis to respond.<sup>521</sup>

- 7.36** Mr Ernie Mollenhauer, Delegate-nominee, NSW Taxi Drivers Association suggested that the licence conditions attached to operating a WAT may contribute to a lack of supply at certain times of the day:

As a WAT driver I am not allowed to start until 5.00pm on any day of the week ... I think that some of them are handing back their plates because they cannot get night drivers. They cannot get night drivers because a night driver's earnings in a WAT is less than it is in any other car ... The 3.00 p.m. to 5.00 p.m. weekday timeslot is a very busy timeslot, but as a night driver I am not allowed to be in a WAT unless I start before noon.<sup>522</sup>

- 7.37** NSW Transport and Infrastructure advised in regard to the shift changeover arrangements for WATs that 'licence conditions for WAT taxis require the licence holder to ensure that the cab is available for hire between the hours of 12 midday and 5pm':

WAT drivers may changeover anytime before or after these hours but may not change shifts during this period due to the high demand for WAT services at this time of day ... Ensuring that shifts are changed only before or after the peak afternoon period is considered a reasonable requirement for meeting WAT passenger needs.<sup>523</sup>

<sup>520</sup> Ms Goodman, Evidence, 2 February 2010, p 41

<sup>521</sup> Ms Joanna Shulman, Principal Solicitor and Director, NSW Disability Discrimination Legal Centre, Evidence, 2 February 2010, p 44

<sup>522</sup> Mr Ernie Mollenhauer, Delegate-nominee, NSW Taxi Drivers Association, Evidence, 2 February 2010, pp 30-31

<sup>523</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 7

### Regional and rural areas

- 7.38** Variations in the supply of WATs were also clearly evident across regional and rural areas, despite action taken by NSW Transport and Infrastructure to encourage growth in the WAT fleet. Spinal Cord Injuries Australia said that whilst ‘the provision of government subsidies to the NSW taxi industry to increase the number of WATs on the road has met with some success’, there are areas in regional NSW where the proportion of WATs is very low:

Where all of these subsidies and extras have fallen over is in the support for regional WATs to grow at a pace in keeping with Sydney Metropolitan Taxis ... Of the taxis operating in regional NSW only on average 15% of the fleet is accessible, with some areas having as low as 3.1% (Newcastle) 3.2% (Orange) and 3.5% (Bathurst).<sup>524</sup>

- 7.39** National Disability Services NSW observed that ‘the availability of WATs across NSW is limited, and this is especially pronounced in regional areas’ such as the Hunter, Illawarra and Tamworth regions:

The numbers in the Hunter and Illawarra regions are incredibly low, and people who require wheelchair accessible taxis commonly report excessive waiting periods of hours, even when a taxi has been booked a week in advance ... Tamworth has only 3 WATs. The population of Tamworth Regional Council is 56532. These 3 taxis cover all transport requirements of people in wheelchairs in the area. At peak times, such as 7.00 am to 9.00 am and 3.00 pm to 6.00 pm there are no other accessible transport options available.<sup>525</sup>

- 7.40** The Northern Rivers Social Development Council outlined the situation in their region:

In the Northern Rivers there doesn’t appear to be a link between numbers of WATs in areas and anticipated level of need. For example the Lismore area has a low level of WATs compared to its population of over 65, over 80 and people with a disability ... One Lismore resident who uses an electric wheelchair had to wait two hours for a taxi last winter.<sup>526</sup>

- 7.41** Mr Darcy highlighted ‘the inequity of access to WATs from region to region’, pointing to Newcastle where there are only five WATs and stating that ‘this leads to significant wait times well beyond those experienced by the general public’.<sup>527</sup>

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<sup>524</sup> Submission 62, p 7

<sup>525</sup> Submission 35, pp 7-9

<sup>526</sup> Submission 33, Northern Rivers Social Development Council, p 2

<sup>527</sup> Submission 61, p 1

### Compliance with WAT licence conditions

- 7.42** NSW Transport and Infrastructure undertake compliance checks to ensure continued fulfillment of the operating conditions attached to WAT licences.
- 7.43** The Passenger Transport Regulation 2007 stipulates that a WAT driver ‘must accept a hiring offered by a person using a wheelchair in preference to a hiring offered by a person not using a wheelchair’.<sup>528</sup> Referring to the Regulation, the NSW Taxi Council said that ‘the strict enforcement of these licence conditions helps improve services to wheelchair users by ensuring WAT drivers are fulfilling the obligation to provide services to wheelchair users’.<sup>529</sup>
- 7.44** In regard to the renewal of WAT licences, Mr Wielinga indicated that ‘each applicant seeking to be re-issued with a WAT licence on the expiry of their existing licence term, or applying for an additional WAT licence, must demonstrate that the WAT they have been operating has completed adequate wheelchair accessible taxi work over the past 12 months’.<sup>530</sup>
- 7.45** Mr Craig Dunn, A/Director, Transport Operations, NSW Transport and Infrastructure, outlined the criteria that are used to assess reapplications for WAT licences:
- ... we look at the number of jobs that the particular licence has done in the preceding period and we look at the number of bookings that have been accepted through 0200, the centralised wheelchair accessible taxi booking process, for that particular taxi. We also look at the number of TTSS vouchers—the taxi transport subsidy scheme vouchers—that have been presented by that particular taxi and we do an analysis of those to make sure that they are complying with the licence conditions. We also look at drivers’ records to make sure that they continue to meet the legislative requirements to hold those licences.<sup>531</sup>
- 7.46** NSW Transport and Infrastructure advised that over the past two years, notices have been issued to 22 Sydney-based and eight country-based WAT licence holders to ‘show cause’ as to why the licence should not be cancelled, or an application for a further licence refused. Of these 30 licences, Mr Wielinga advised that seven were cancelled: ‘five for breaching their licence conditions and two because the licence holder went into receivership’.<sup>532</sup>
- 7.47** The NSW Taxi Council noted the positive impact of the strict enforcement of licence conditions on the services that are provided by the WAT fleet:

During 2003, approximately 35% of the WATs in Sydney each month were not picking up any passengers who booked WATS through the Zero200 booking system.

<sup>528</sup> Passenger Transport Regulation 2007 cl 148(1)

<sup>529</sup> Submission 42, NSW Taxi Council, p 19

<sup>530</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 11

<sup>531</sup> Mr Craig Dunn, A/Director, Transport Operations, NSW Transport and Infrastructure, Evidence, 2 February 2010, p 15

<sup>532</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 3

Compliance activity undertaken by the industry and NSW Transport and Infrastructure has reduced that figure to well below 20% ...<sup>533</sup>

### **Conversion costs for WATs**

**7.48** A possible deterrent to taxi operators and networks introducing more WATs into their fleet may be that the conversion costs for a WAT are substantially more than for that of a standard taxi. Ms Jennifer Roberts, General Manager, Lime Taxis, indicated for a standard vehicle, the total costs are between \$30,000 and \$36,000. However, for the WATs used by Lime Taxis 'the total cost of our vehicle is \$90,000 and \$23,000 of that was the conversion'.<sup>534</sup>

**7.49** The NSW Taxi Council outlined the different costs associated with converting vehicles to WATs:

There are a range of vehicles that can be converted to wheelchair accessible taxis, there are also a range of conversion options including capacity for between 1 and 3 wheelchairs. The most common models currently used for wheelchair conversion in NSW are: Toyota Hiace Commuter, Toyota Tarago and Kia Carnival. Vehicle costs are approximately \$47 000 for a (petrol) Tarago and \$46000 (petrol) to \$50 000 (turbo diesel) for Toyota Commuter. Kia Carnival Grand has been quoted at \$40 000. Vehicle and conversion total cost ranges from a low of \$64 000 for a petrol Toyota Hiace, to \$91 000 for a stretched Toyota Tarago.<sup>535</sup>

**7.50** The NSW Taxi Council emphasised that the comparison 'only includes some of the basic start-up costs and is highly simplified to try and provide a very basic comparison. Clearly the actual cost to a taxi operator will include running costs including fuel, maintenance, repairs and down-time, which can vary very significantly for different vehicle types'.<sup>536</sup>

**7.51** Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, explained that the higher conversion costs can be off-set over a longer period of time than for a standard vehicle:

The cost of fitment of a vehicle for a normal taxi is probably \$30,000 compared to \$80,000 to \$90,000 for a vehicle for a wheelchair accessible purpose. Admittedly they are given a life of 10 years - that is my latest recollection - as against six and a half years for a normal taxi. That was to try to amortise the cost of those vehicles over that longer period.<sup>537</sup>

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<sup>533</sup> Submission 42, p 19

<sup>534</sup> Ms Jennifer Roberts, General Manager, Lime Taxis, Evidence, 2 February 2010, p 50

<sup>535</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, pp 7-8

<sup>536</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Ramshaw, pp 7-8

<sup>537</sup> Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, Evidence, 31 March 2010, p 11

- 7.52 Mr Killeen, having noted the higher costs of a WAT, continued to say that there are a number of advantages to running a WAT:

They get a \$20 a week plate compared to a \$600 a week lease on a regular plate. There is a cost saving there. They do not have to renew their vehicle in six years like you do with a regular car, it is on there for 10½ years. As a business, they can write it off over 10½ years ... If the driver knows that the licence requirement says you need to do the jobs, respond to the bookings, give people with disability priority and they have all these concessions, the reason why they have the concessions is to save those costs, so they run to do a job ... If a cab driver cannot run his business to absorb those costs, they are not doing their job properly ...<sup>538</sup>

### **The role of community transport**

- 7.53 A factor that may encourage an increase in the WAT fleet is the establishment of a complementary relationship between the taxi industry and community transport providers. Such a relationship may have financial benefits for both the taxi industry and community transport providers, and result in improved transportation options for people with disability.
- 7.54 National Disability Services of NSW explained that ‘those who are transport disadvantaged, and unable to access public transport, may have the option to use Community Transport, assuming they fall within the eligibility criteria for this service’.<sup>539</sup>
- 7.55 The NSW Community Transport Program is funded by the NSW Government and seeks to address the transport needs of disadvantaged groups. Community transport is available to individuals who have permanent or temporary mobility disabilities, and to individuals living in communities with less than 500 people who do not have access to transport services.<sup>540</sup>
- 7.56 The Home and Community Care Community Transport Sub-program is another community transport program that provides services for the aged, people with disabilities and their carers. Both the Federal and State Governments provide funding for this program.<sup>541</sup> Under both of these programs, more than \$36.5 million in funding was allocated to 134 community transport service providers in 2008-2009.<sup>542</sup>

<sup>538</sup> Mr Killeen, Evidence, 4 February 2010, p 35

<sup>539</sup> Submission 35, p 2

<sup>540</sup> NSW Transport and Infrastructure, *NSW Community Transport Program (CTP)* <[www.transport.nsw.gov.au/lact/ctp.html](http://www.transport.nsw.gov.au/lact/ctp.html)> (accessed 10 March 2010)

<sup>541</sup> NSW Transport and Infrastructure, *Home and Community Care (HACC) – Community Transport Sub-program* <[www.transport.nsw.gov.au/lact/hacc.html](http://www.transport.nsw.gov.au/lact/hacc.html)> (accessed 10 March 2010)

<sup>542</sup> NSW Transport and Infrastructure, *Local and Community Transport Programs* <[www.transport.nsw.gov.au/lact/programs.html](http://www.transport.nsw.gov.au/lact/programs.html)> (accessed 10 March 2010)

**7.57** NSW Transport and Infrastructure has direct day-to-day administrative responsibility for both these programs, while the Department of Ageing, Disability and Home Care undertakes the planning and policy development of transport services provided through the Home and Community Care Community Transport Sub-program.<sup>543</sup>

**7.58** NCOSS noted the increased use of taxis by community transport providers, in order to maximise the services that can be provided:

Over recent years the use of taxis for community transport has increased and it is now common practice for community transport providers to broker journeys to taxis operators. This increases the capacity of community transport by utilising the taxi fleet and enables out of hours and weekend services to be provided to community transport clients.<sup>544</sup>

**7.59** NCOSS suggested that it would be financially beneficial for community transport providers and the taxi industry to negotiate special rates for travel during times of the day where demand for community transport services peak, but demand for taxi services is lower:

The community transport sector is, however, looking for opportunities to negotiate day time, off-peak off-the-meter rates trips Monday to Friday between 9am and 3pm. These are the peak periods for community transport and are also identified as the slower periods for the taxi industry. The ability to negotiate rates will make it more affordable for more community transport services to broker trips to the taxi industry and hence benefit the Taxi industry during their slower periods.<sup>545</sup>

**7.60** Mr Lawrence Stewart, Director, Southern Highlands Taxi Service, observed that establishing a relationship between community transport providers and taxi services would result in significant financial savings for community organisations, particularly given the high capital and maintenance costs associated with accessible vehicles:

I am quite convinced when one looks at the total cost of ownership and operation of one of these vehicles - these days new wheelchair accessible the Toyota commuter type vehicles are approximately \$70,000 to \$80,000 each-it is a lot of money to invest in a vehicle unless you are doing serious kilometres. For the very short amount of work that these organisations are doing with them, I am convinced that the taxi industry could offer fares which would probably equate to a quarter of the costs that they are currently experiencing.<sup>546</sup>

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<sup>543</sup> NSW Transport and Infrastructure, *Home and Community Care (HACC) – Community Transport Sub-program* <[www.transport.nsw.gov.au/lact/hacc.html](http://www.transport.nsw.gov.au/lact/hacc.html)> (accessed 10 March 2010)

<sup>544</sup> Submission 25, Council of Social Services of NSW, p 13

<sup>545</sup> Submission 25, p 13

<sup>546</sup> Mr Lawrence Stewart, Director, Southern Highlands Taxi Service, Evidence, 4 February 2010, p 53

***Committee comment***

- 7.61** The Committee is concerned that despite the efforts of NSW Transport and Infrastructure to increase the number of WATs in the taxi fleet, there are still significant variations in supply across Sydney. Most notably, there also appears to be an insufficient supply of WATs in regional and rural NSW. As the demand for WATs increases as the population ages, these shortages in services will become more pronounced, and have an even more detrimental impact on the ability of people with mobility issues to fully participate in their communities.
- 7.62** The Committee believes that NSW Transport and Infrastructure should develop a 10-year plan to increase the percentage of WATs from the current 11 per cent to a minimum of 50 per cent of the taxi fleet. In regional areas where there is only one licensed taxi, that taxi must be a WAT.

**Recommendation 21**

That NSW Transport and Infrastructure develop a 10-year plan to increase the percentage of wheelchair accessible taxis from the current 11 per cent to a minimum of 50 per cent of the NSW taxi fleet, and that where there is only one licensed taxi in a geographic areas, it must be a wheelchair accessible taxi.

- 7.63** The Committee further considers that NSW Transport and Infrastructure should establish a service agreement for the use of taxi services in community transport programs. This will facilitate a cohesive and complementary relationship between the taxi industry and community transport providers to ensure that services to people with disability are maximised.

**Recommendation 22**

That NSW Transport and Infrastructure establish a service agreement for the use of taxi services in community transport programs.

**Meeting the Disability Standards for Accessible Public Transport 2002**

- 7.64** As noted earlier, the Disability Standards for Accessible Public Transport (DSAPT) define the responsibilities of operators and providers of public transport under the *Disability Discrimination Act 1992*.<sup>547</sup> Ms Shulman advised that the DSAPT 'are standard prescriptive measures that stipulate what a transport provider must do in order not to discriminate against a person with a disability. It is binding on all transport providers in Australia and a breach of the standards is a breach of the Disability Discrimination Act'.<sup>548</sup>

<sup>547</sup> Department of Infrastructure, Transport, Regional Development and Local Government, *Transport for People with Disabilities* <[www.infrastructure.gov.au/roads/passengers/disabilities](http://www.infrastructure.gov.au/roads/passengers/disabilities)> (accessed 4 December 2009)

<sup>548</sup> Ms Shulman, Evidence, 2 February 2010, p 40

- 7.65** Ms Shulman explained that ‘in relation to taxis, the transport standards stipulate that response times are to be the same for accessible taxis as they are for non-accessible taxis. The standards also prescribe the space dimensions for accessible taxis’.<sup>549</sup>

### **Parity in response times**

- 7.66** NSW Transport and Infrastructure requires taxi networks with WAT services in Sydney, Newcastle, Wollongong and the Central Coast to supply monthly reports detailing their key performance indicators (KPIs):

In Sydney, the Zero 200 Booking Service provides monthly KPI reports for all Sydney WATs regardless of the authorised network with which the taxi is affiliated. This performance data from 2008/2009 is published on the NSWTI website. NSWTI receives monthly reports from Newcastle, Wollongong and Central Coast networks for their WAT services, which is also reported on the NSWTI website.<sup>550</sup>

- 7.67** The NSW Taxi Council explained that ‘the service standards for Wheelchair Accessible Taxis (WATs) in New South Wales are essentially the same as for the rest of the fleet, in accordance with the Disability Standards for Wheelchair Accessible Taxi Services’.<sup>551</sup>

- 7.68** The KPIs for the WAT fleet are reproduced in Appendix 9.

- 7.69** NSW Transport and Infrastructure advised that the KPIs demonstrate that response times for the WAT fleet are close to achieving parity with the response times of the standard fleet:

WAT services have improved for passengers who rely on those services. The average pick up time for a WAT in Sydney has come down from close to 12 minutes in December 2007 when the WAT driver payment was introduced to 9 1/2 minutes in January 2008 and just under 7 minutes in July 2008. In June 2009, WAT response times were almost in line with the average pick up time for standard taxis, which were just above 6 minutes in that month.<sup>552</sup>

- 7.70** These improvements have been achieved through an ongoing ‘pipeline of activities’ that NSW Transport and Infrastructure have implemented to achieve parity in response times. Mr Wielinga explained that these strategies will continue to be applied:

... sophisticated strategies have been put in place that include a growth of the fleet, which has come about by the low licence fee, the \$1,000 annual licence fee that has been put into place. The fleet has grown from 435 in 2004 to 735 in 2010. In 2004 an incentive payment of \$7.70 was put into place. At that time the waiting time for wheelchair accessible taxi licences was 12 minutes. By July 2008 that had reduced to just under 7 minutes. That is an average time. The average time for a normal taxi licence in Sydney is about 6 minutes. We are continuing to look at policies so that we can get good parity there. It is getting closer and we expect that to continue ...<sup>553</sup>

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<sup>549</sup> Ms Shulman, Evidence, 2 February 2010, p 40

<sup>550</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, pp 17-18

<sup>551</sup> Submission 42, p 10

<sup>552</sup> Submission 45, p 10

<sup>553</sup> Mr Wielinga, Evidence, 2 February 2010, p 14

**7.71** Mr Kermode noted the length of time it has taken for improvements to be made to WAT services:

I believe that we are getting there. It has been a horribly slow and difficult road for a lot of people to come to grips with because of the enormous costs that are involved ... I think it is an essential responsibility that we have to the community that they should have the same level of service that everybody else does.<sup>554</sup>

**7.72** However, some Inquiry participants suggested that despite improvements in service performance, the lack of equality in response times means that the requirements of the DSAPT have not been met. The Disability Council of NSW was one such participant, stating:

... waiting times for booked WAT services have improved on average but they still lag behind non-WAT response times. The improvements in performance are welcome but it remains inescapably true that the NSW taxi industry is not currently complying with its legal duty.<sup>555</sup>

**7.73** PIAC also observed that 'it is clear from the data that the WAT industry is not complying with the performance requirements of the Public Transport Standards (and this was confirmed in the 2007 Transport Action Plan Update). Namely, the waiting times for a WAT taxi is not the same as the waiting time for Standard taxis'.<sup>556</sup>

**7.74** The NSW Taxi Council indicated that WAT passengers may sometimes experience longer delays than passengers in standard taxis due to different passenger needs:

During 2009, there were very few WAT passengers who experienced delays of more than 30 minutes. In a typical month there might be two or three instances. In most cases these delays were a result of the passenger making a special request for a particular type of WAT. Such requests can result in longer delays due to the time it takes to find an available vehicle that meets the passenger's request and the fact that it takes longer for a vehicle that is not the closest to the job to arrive at the pick-up location.<sup>557</sup>

**7.75** The Disability Council of NSW noted that the KPIs only measure the performance of booked services, with no comparison available for rank and hail taxis:

Booked services, however, constitute only part of the trade ... most taxi trips begin by hailing a cab on the street or picking up a cab at a rank. There is no measure for equal treatment with regard to access to WAT by the two most common methods of catching one. Luck determines whether or not a WAT might be sitting on any given rank on any given day. Wheelchair users cannot run their lives on the basis of luck, especially when 9 out of 10 taxis in NSW are not wheelchair accessible.<sup>558</sup>

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<sup>554</sup> Mr Kermode, Evidence, 31 March 2010, pp 11-12

<sup>555</sup> Submission 43, p 4

<sup>556</sup> Submission 37, Public Interest Advocacy Centre, p 10

<sup>557</sup> Submission 42, p 18

<sup>558</sup> Submission 43, p 2

**7.76** The Committee notes that there are also no KPIs to measure the performance of standard taxis that are accessed through taxi ranks or by hailing a taxi. The Committee discusses this issue in Chapter 9.

**7.77** The NSW Taxi Council observed that the preference of many WAT passengers to make private booking arrangements with drivers may also skew performance results:

... only jobs booked through the authorised networks are measured. Many WAT passengers have a preferred taxi driver who they make private booking arrangements with. This means that pick-up times for up to 50% of total WAT jobs are not included in official measures. It would also be fair to assume that private jobs are among the more attractive jobs for WAT drivers and hence Zero200 would be dealing with a disproportionately higher number of less attractive jobs that generally take longer to cover. These systemic differences mean that WAT pick-up times will appear to be worse than they would if WAT passengers did not have a propensity to book work privately and if Zero200 despatched WAT bookings in the same manner as the networks despatch other jobs.<sup>559</sup>

**7.78** An additional problem in gaining an accurate measure of performance across the industry is that the KPIs are averages, and may therefore ‘mask pockets of poor performance’.<sup>560</sup> This point was emphasised by Mr Herd:

I think you can get a trail of people with disability to come and give evidence here that will tell you that they have waited in excess of 30 minutes and longer for a taxi. And the further away you get from the golden triangle of the city and the airport the longer you wait ... I think that when you are comparing averages you can make the extremes at either end vanish ... It is simply not credible in the experience of people with disability generally, and certainly the ones who talk to us, to suggest that there is only a one-minute difference between the response times of wheelchair accessible taxis and others.<sup>561</sup>

**7.79** Ms Shulman also questioned the accuracy of the data, noting that: ‘In our experience the response times seem to change according to where you are, where you are going, how long the trip is going to be and the time of day. So if you could capture data according to those questions you would get much more accurate information’.<sup>562</sup>

**7.80** The Public Interest Advocacy Centre (PIAC) suggested that ‘a number of the KPIs are not sufficiently nuanced and therefore fail to accurately reflect the experience that many people have when using WATs’.<sup>563</sup> Specifically, PIAC identified that KPI 6 on average pick up times:

... needs to be amended so that it includes a number of other categories or sub-KPIs, which provide a more detailed picture of the amount of time consumers actually wait before they are successfully picked up by a taxi after making the initial booking call.<sup>564</sup>

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<sup>559</sup> Submission 42, pp 16-17

<sup>560</sup> Submission 43, p 4

<sup>561</sup> Mr Herd, Evidence, 3 February 2010, p 7

<sup>562</sup> Ms Shulman, Evidence, 2 February 2010, p 41

<sup>563</sup> Submission 37, pp 10-11

- 7.81** PIAC explained that in the event that a WAT passenger was unable to fit into the booked vehicle, the passenger would have to book a new taxi and wait for that taxi to arrive:
- ... this would count as two bookings under the current KPIs. It would also mean that the pick up time would be recorded for each of the bookings individually rather than as the cumulative period that the person had to wait to have a taxi arrive that they were able to access. There is no record of the overall pick up time experienced by the passenger.<sup>565</sup>
- 7.82** PIAC indicated that because of this lack of detail, ‘there is a distinct possibility that the average pick up times are significantly worse than suggested by the current reports against KPIs’.<sup>566</sup>
- 7.83** NCOSS suggested that performance data should be disaggregated to provide a clearer measure of performance:
- ... there is a strong case for enhanced public reporting of the performance of WATs against the current service standards. Performance data should also include the availability of WATs during peak hours in metropolitan and country areas, by measurement of average and median waiting times for services.<sup>567</sup>
- 7.84** Under the current reporting mechanisms, there is no requirement for networks outside of Sydney, Newcastle, Wollongong and the Central Coast to provide NSW Transport and Infrastructure with information on their KPIs. National Disability Services of NSW asserted that ‘no justification is provided as to why response time statistics are not made available for the rest of NSW’.<sup>568</sup>
- 7.85** The Disability Council of NSW also noted this discrepancy: ‘We note that there are no publicly available performance reports for response times of taxis outside of Metropolitan Sydney. There should be’.<sup>569</sup>
- 7.86** Ms Elizabeth Simpson, Solicitor, PIAC, further suggested that there should be a requirement that ‘follow-up action is taken when it is clear that a company or operator is falling well short of its obligations under the Public Transport Standards’.<sup>570</sup>
- 7.87** Many of these problems were not confined to the WAT data, with the Committee hearing similar complaints about the aggregated KPIs published for standard taxis, and the lack of performance standards for taxis in regional and rural NSW. This issue, together with recommendation to disaggregate performance related data, is considered in Chapter 9.

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<sup>564</sup> Answers to questions on notice taken during evidence 2 February 2010, Ms Elizabeth Simpson, Solicitor, Public Interest Advocacy Centre, p 2

<sup>565</sup> Submission 37, pp 10-11

<sup>566</sup> Submission 37, pp 10-11

<sup>567</sup> Submission 25, p 9

<sup>568</sup> Submission 35, p 5

<sup>569</sup> Submission 43, p 4

<sup>570</sup> Answers to questions on notice taken during evidence 2 February 2010, Ms Simpson, p 2

***Committee comment***

- 7.88** The Committee acknowledges that the DSAPT require parity in response times between the WAT fleet and the standard taxi fleet. The Committee notes that Inquiry participants had conflicting views about the performance of the WAT fleet in meeting this requirement, and that many participants expressed concerns that the current KPIs may not reflect the actual performance of the WAT fleet.
- 7.89** The Committee considers it essential that the key performance standards used to assess the response times of the WAT fleet are sufficiently detailed to accurately capture information that reflects the experience of passengers. In particular, the Committee believes that performance standards should provide information on instances where passengers may have to request multiple vehicles before a suitable vehicle responds to the booking.
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**Recommendation 23**

That NSW Transport and Infrastructure include in the key performance indicators for the wheelchair accessible taxi fleet a mechanism to accurately capture information on the experiences of wheelchair accessible taxi passengers, including waiting times.

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- 7.90** The Committee also considers that NSW Transport and Infrastructure should require providers of WAT services in regional and rural areas to provide monthly report on their KPIs. This will facilitate the development of a complete understanding of the performance of the WAT fleet across NSW, and clearly identify areas where response times do not achieve parity with the performance of the standard taxi fleet.
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**Recommendation 24**

That NSW Transport and Infrastructure require providers of wheelchair accessible taxi services in regional and rural areas to provide six-monthly reports on their key performance indicators.

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- 7.91** The Committee further discusses KPIs in Chapter 9, and makes a number of recommendations that will further enhance the accuracy of the KPIs in reflecting the performance of the NSW taxi industry.

**Complaints system**

- 7.92** In the event that WAT passengers are dissatisfied with their service, they are able to provide feedback on their experience to the centralised Customer Feedback Management System. The NSW Taxi Council advised that complaints by WAT passengers are at their lowest level ever:

Despite 52% growth in bookings carried out through Zero200 since 2005, complaints received from customers in relation to Wheelchair Accessible taxi services are at the lowest level ever. During 2009, 31 complaints regarding WAT services in Sydney were received by the government's customer feedback management centre and only 11 of these related to the taxi being late or not arriving ... Less than 0.03% of WAT

bookings result in a complaint being lodged. This percentage would roughly halve if total journeys including private bookings were included in the total.<sup>571</sup>

**7.93** Mr Ramshaw provided the Committee with some detail about the nature of these complaints:

Of the 31 complaints recorded in the centralised customer feedback management system (CFMS) relating to Wheelchair Accessible Taxi services in Sydney during 2009,<sup>7</sup> 7 were for demanding more than the authorised fare, 5 were for the taxi failing to arrive, 5 were for driving in an unsafe manner, 4 were for the taxi arriving late for a booking, 4 were for failing to provide reasonable assistance, 2 were for rudeness or incivility toward the passenger, 1 each were recorded for ‘driver unable to understand directions’, ‘assault’, ‘refusal of hiring’, ‘condition of taxi’ ... During the same period 5 customers provided positive feedback complimenting taxi drivers for their exceptional assistance.<sup>572</sup>

**7.94** Some Inquiry participants noted that users of WATS can be reluctant to register complaints about the level of service they received. For example, Mr Herd observed that the low level of complaints may be attributable to the reluctance of WAT passengers to officially register a complaint:

The reason there are relatively few complaints is absolutely clear. It is because people are frightened they will be identified as troublesome customers and that if they make a complaint once they might get some response from the system ... They feel vulnerable and if they think that by making a complaint there is some risk that they will not get a good service next time, even if that is just a perception and not real, they will not make the complaint.<sup>573</sup>

### Space dimensions for accessible taxis

**7.95** NSW Transport and Infrastructure publishes the Wheelchair Accessible Taxi Measurement Protocol to provide guidelines on the space dimensions required under the DSAPT. Under the Protocol, all WATs licenced in NSW must have an engineer’s certificate of compliance with the Standards.<sup>574</sup>

**7.96** Despite this requirement, the second problem identified by Inquiry participants in regard to the DSAPT is that there are varying interpretations of space dimensions specified for WATs. Spinal Cord Injuries Australia explained:

The DSAPT came up with the 90th percentile sizing of 1300mm x 800mm x 1400mm. This should accommodate 90% of all wheelchair users easily. Where the NSW government and taxi operators have fallen down is that these measurements have been interpreted in all manner of ways and thus an individual wheelchair user that correctly falls into the 90% cannot access all NSW WATs.<sup>575</sup>

<sup>571</sup> Submission 42, p 21

<sup>572</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Ramshaw, pp 2-3

<sup>573</sup> Mr Herd, Evidence, 3 February 2010, pp 4-5

<sup>574</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 8

<sup>575</sup> Submission 62, p 9

**7.97** Ms Simpson also emphasised that the DSAPT 'are based on the idea of the ninetieth percentile', meaning that:

... when the standards were developed it was recognised that different people with different disabilities will need different mobility devices and wheelchairs, so it may not be possible to come up with a standard that will cover every single person in every single case. However, we are talking about the ninetieth percentile. That means this standard is meant to accommodate 90 per cent of people.<sup>576</sup>

**7.98** Mr Simon Darcy, a user of WATs, said that 'some WATs are currently being approved that in my opinion as an Accredited Access Auditor do not comply with the DSAPT ... The major issues are the length of tray and the interpretation of the internal dimensions of the space'.<sup>577</sup>

**7.99** In particular, PIAC identified two compliance problems with Toyota Taragos that are converted to WAT vehicles:

- the ramp problem – whereby 'the rear access ramp folds inside the vehicle into the space, or accessible envelope, where the passenger is meant to sit, preventing the backdoor from closing and/or causing the ramp to be dangerously close to the passenger'
- the door problem – whereby 'the internal space provided through this modification is too small, and as a result, when the backdoor of these vehicles is closed, the door impinges into the envelope. A person using a wheelchair cannot fit in the space provided, with the rear door coming in contact with the back of their wheelchair making it impossible to close the backdoor'.<sup>578</sup>

**7.100** PIAC also noted a third modification of the Tarago 'that appears to comply with the Public Transport Standards on the basis that it provides the requisite clear space or accessible envelope'.<sup>579</sup>

**7.101** Mr Greg Killen, a user of WATs, described the impact of the lack of uniformity in the interpretation of the DSAPT size requirements on his ability to catch a WAT:

... when taxis have responded to me, initially I could not get into the cars that were responding, so I made alterations to my chair ... After I made the alterations to my chair, the latest model then came out and the conversion of those vehicles meant that they were even smaller. I said, 'How much of my chair do you want me to chop off so I can get into the bloody cab?' It is ridiculous.<sup>580</sup>

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<sup>576</sup> Ms Elizabeth Simpson, Solicitor, Public Interest Advocacy Centre, Evidence, 3 February 2010, p 50

<sup>577</sup> Submission 61, p 1

<sup>578</sup> Submission 37, p 12

<sup>579</sup> Submission 37, p 12

<sup>580</sup> Mr Killeen, Evidence, 4 February 2010, pp 34-36

**7.102** It was suggested by PIAC that these modification problems could be avoided if the dimensions of the allocated space are:

... conceptualised as a rectangular prism, rather than as two, two-dimensional measurements of clear floor space (or footprint) and headroom ... This means that in order to meet the technical requirements of the Public Transport Standards the space or three-dimensional envelope within the taxi must be 1410 mm high throughout the ground floor space of 1300 mm x 800 mm.<sup>581</sup>

**7.103** Mr Herd acknowledged the evolving spectrum of mobility devices, and highlighted the need to ensure that there is a clear understanding of the space requirements specified in the DSAPT:

... we need to get an agreed definition of what we mean by “wheelchair accessible taxi” ... The bigger your wheelchair, the less likely you are to get into one. As our population ages, we will have more and more mobility aids. I think the industry makes a valid point that there needs to be some kind of consensus around what this vehicle can and should be required to do ...<sup>582</sup>

**7.104** Mr Darcy identified a need for additional research to determine the future space dimensions that may be required, allowing for trends in ‘wheelchair design, increased scooter use and the ageing of the population’. Mr Darcy said that this ‘would provide a foundation on which to build an economically efficient, socially sustainable and competitive operation’.<sup>583</sup>

**7.105** Ms Simpson observed that compliance with the DSAPT is dependent only on meeting the space dimensions set out in the Standards, rather than trying to anticipate changes in the design of mobility devices:

I do not think that the industry is dealing with a moving feast. The public transport standards do not move; the models that people might be using might change. We are talking about public transport standards that are not changing. In fact, we say that all these companies need to be concerned about whether or not that three-dimensional space meets the public transport standards, which are not a movable feast ... you could create, in a sense, a cardboard box and make a rectangular prism that had height, width, head room and so on. If you were to put that into the taxi and it fit that would be your answer. Then you would not need to worry about whether or not this particular model worked or that particular model did not work. If your jig fitted into a taxi it would be sufficient.<sup>584</sup>

**7.106** Mr Herd advised that NSW Transport and Infrastructure was aware of the space dimension issue, and that ‘it is the intention of the Ministry that no taxi in the future should be licenced’ if it does not meet the required standard:

My understanding is that one of my colleagues attended about three months ago a meeting convened by the department to look at how we could make sure all taxis

<sup>581</sup> Submission 37, p 13

<sup>582</sup> Mr Herd, Evidence, 3 February 2010, p 10

<sup>583</sup> Submission 61, p 3

<sup>584</sup> Ms Simpson, Evidence, 3 February 2010, p 52

comply with the standard and do not encroach into the pyramid or cube, or whatever it is called—the footprint. I understand that a report has been prepared and that work is being done to ensure that no taxi in the future will do that.<sup>585</sup>

**7.107** However, Ms Simpson indicated that the outcome of this NSW review was on hold, pending a national review of the DSAPT:

My understanding is that it has not got much further and essentially the department has indicated that they are waiting on the Commonwealth review of the public transport standards because there has been an indication from the Commonwealth Government that they may amend this provision. We have been told that if there is an amendment to the provision the department will make amendments subsequent to that ...<sup>586</sup>

**7.108** NSW Transport and Infrastructure advised that ‘the Standards are currently the subject of a 5 year review currently being undertaken by the Commonwealth’.<sup>587</sup>

### **Ensuring compliance with the DSAPT**

**7.109** Inquiry participants highlighted several ways to identify whether the NSW taxi industry is complying with the requirements of the DSAPT. PIAC proposed a number of actions that should be initiated by NSW Transport and Infrastructure:

- conduct an audit of all Toyota Taragos to identify any non-compliant vehicles
- provide assistance to those operating non-compliant vehicles to modify their vehicle to meet the Transport Standards
- if vehicles cannot be modified, issue additional WAT licences to compensate for the vehicles that do not meet the Transport Standards
- non-compliant vehicles should be tagged, and WATs users should be informed of the non-compliance when a booking is made.<sup>588</sup>

**7.110** The Disability Council of NSW suggested that all new WATs ‘should comply with the minimum national standard with regard to the wheelchair ‘cube’ i.e. the minimum height, depth and width required to accommodate the fullest range of wheelchair types’.<sup>589</sup> The Disability Council also felt that while existing vehicles should be modified to meet the requirement where practicable, ‘no existing WAT should be removed from service, however, because of a failure to accommodate the wheelchair “cube”’.<sup>590</sup>

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<sup>585</sup> Mr Herd, Evidence, 3 February 2010, p 5

<sup>586</sup> Ms Simpson, Evidence, 3 February 2010, p 55

<sup>587</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 8

<sup>588</sup> Submission 37, p 15

<sup>589</sup> Submission 43, p 4

<sup>590</sup> Submission 43, p 4

- 7.111** Mr Herd emphasised the need to ensure that no new non-compliant vehicles are allowed to become part of the fleet:

As a simple straightforward statement of policy I think we should all agree that there should be no wheelchair accessible taxi licence to operate on the streets of New South Wales unless it is compliant with the specifications that have been agreed through the State's consultative processes in conjunction with the Australian Federal Government. It is that simple.<sup>591</sup>

- 7.112** Additionally, Mr Herd suggested that all new taxi designs should be extensively tested by people with disability before being approved for manufacture:

If a new taxi is going to be designed or audited and approved for use on the road, a representative organisation of people with disability, probably the non-government sector, should be spoken to. Get some folk along, road test the taxi before it is approved, make the improvements before it is finalised, and get it on the road.<sup>592</sup>

- 7.113** PIAC also felt that NSW Transport and Infrastructure should 'work closely with people with disability, their advocacy groups and the Australian Human Rights Commission to ensure that any interpretation of the Public Transport Standards used in public transport regulation in NSW is consistent with the purpose and technical requirements of the Public Transport Standards'.<sup>593</sup>

- 7.114** Ms Shulman noted the critical importance of ensuring that all of the vehicles in the WAT fleet comply with the DSAPT by conducting a 'compliance check on wheelchair cabs' as part of NSW Transport and Infrastructure's licensing conditions for cabs.<sup>594</sup>

- 7.115** PIAC also suggested that 'monitoring of compliance with the Public Transport Standards is integrated into the regulatory framework for the taxi industry':

... consideration should be given to creating an independent complaints-handling and audit mechanism body in NSW that could ensure compliance with the Public Transport Standards. For example, the NSW Auditor General could be given power and resources to enable an annual audit of a sample of WATs. The advantage of giving the Auditor-General this role is that it would ensure regular oversight independent from the Roads and Traffic Authority of NSW (RTA) and NSW Transport Department...<sup>595</sup>

### *Committee comment*

- 7.116** The Committee is concerned that despite the existence of the Wheelchair Accessible Taxi Measurement Protocol to provide guidance on the DSAPT, there seems to be significant variations in the interpretation of the space requirements for accessible taxis as specified by

<sup>591</sup> Mr Herd, Evidence, 3 February 2010, p 6

<sup>592</sup> Mr Herd, Evidence, 3 February 2010, p 6

<sup>593</sup> Submission 37, p 4

<sup>594</sup> Ms Shulman, Evidence, 2 February 2010, pp 44-45

<sup>595</sup> Submission 37, p 7

the DSAPT. This adversely impacts on the ability of WAT passengers to access all of the vehicles in the WAT fleet. The Committee recommends that NSW Transport and Infrastructure immediately implement a revised Wheelchair Accessible Taxi Measurement Protocol, based on the three-dimensional cube.

- 7.117** The Committee believes that NSW Transport and Infrastructure should conduct an audit of all WATs to identify any non-compliant vehicles, and revoke the wheelchair accessible taxi license if the vehicle is still non-compliant within three years. The Committee also believes that financial assistance should be provided to operators of non-compliant vehicles to modify their vehicle to meet the DSAPT as soon as possible. This will ensure that all accessible taxis in NSW meet the necessary requirements stipulated by the DSAPT, and give WAT passengers certainty that they will be able to access all WATs in the fleet.
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#### **Recommendation 25**

That NSW Transport and Infrastructure immediately implement a revised Wheelchair Accessible Taxi Measurement Protocol, based on the three dimensional cube.

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#### **Recommendation 26**

That NSW Transport and Infrastructure conduct an audit of all wheelchair accessible taxis to identify vehicles that are non-compliant with the Disability Standards for Accessible Public Transport, and revoke the wheelchair accessible taxi licence if the vehicle is still non-compliant within three years.

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#### **Recommendation 27**

That NSW Transport and Infrastructure provide financial incentives to operators of non-compliant vehicles to modify their vehicle to meet the Disability Standards for Accessible Public Transport as soon as possible.

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- 7.118** In addition, the Committee considers that, following the completion of the audit of the entire WAT fleet; NSW Transport and Infrastructure should conduct an annual inspection of the WAT fleet, to ensure continued compliance with the DSAPT and regulations.
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#### **Recommendation 28**

That NSW Transport and Infrastructure conduct an annual inspection of the wheelchair accessible taxi fleet, to ensure continued compliance with the Disability Standards for Accessible Public Transport and the regulations.

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## Chapter 8      **Accessibility issues for wheelchair taxi users**

This Chapter examines accessibility issues faced by people with disability when using the taxi fleet. The Chapter begins by discussing the possibility of a universally accessible taxi as a way to assist all people in NSW to have equal access to taxi services. The Chapter then discusses how people with disability access a WAT, including the use of the Zero200 booking service, private arrangements between passengers and drivers, and the accessibility of taxi ranks. The Chapter examines the Taxi Transport Subsidy Scheme, which provides subsidies to eligible participants, and concludes by discussing terms of reference (f), the Taxi Driver Incentive Scheme.

### **A universally accessible taxi fleet**

- 8.1**      A number of Inquiry participants advocated for the introduction of a universally accessible taxi that would be able to meet the transport needs of all passengers. Ms Joanna Shulman, Principal Solicitor and Director, NSW Disability Discrimination Legal Centre, said that ‘a universal fleet would be the ultimate solution<sup>596</sup> to ensure that ‘everyone has equal access’.<sup>597</sup>
- 8.2**      Spinal Cord Injuries Australia identified the following benefits of a universal fleet of taxis:
- facilitate response time parity
  - decrease dead running costs as the nearest taxi can respond to any job
  - increase the lifespan of all taxis
  - decreased maintenance costs as a standardised design would allow greater efficiencies in part ordering
  - encourage better customer service through having a standard restraint system for mobility devices
  - provide education for able bodied passengers in the needs of passengers with disability.<sup>598</sup>
- 8.3**      It was also noted by Inquiry participants that as the population of NSW ages, demand for accessible public transport, including taxis, will increase. National Disability Services of NSW said ‘the age profile of the population of NSW shows that the population in 2030 will be significantly larger and significantly older than it is today’, which will impact on all aspects of the public transportation system including taxis:

The impact of an ageing population will manifest itself on the transport system. As people live longer lives, they will experience greater rates of disability and mobility related issues. This will mean that people will become more reliant on accessible

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<sup>596</sup> Ms Joanna Shulman, Principal Solicitor and Director, NSW Disability Discrimination Legal Centre, Evidence, 2 February 2010, p 42

<sup>597</sup> Ms Shulman, Evidence, 2 February 2010, p 45

<sup>598</sup> Submission 62, Spinal Cord Injuries Australia, pp 12-13

transport systems, including wheelchair accessible taxis, to participate fully in their communities.<sup>599</sup>

- 8.4** Ms Alison Peters, Director, Council of Social Services of NSW (NCOSS), noted the increasing number of people with a range of mobility issues:

... the reality is there are increasing numbers of people who have mobility issues, not all of them confined to wheelchairs but mobility issues, so having accessible taxis that suit a variety of mobility issues will become an increasing problem as we get older and as more people suffer the consequences of ageing and disability.<sup>600</sup>

- 8.5** Mr Dougie Herd, Executive Officer, Disability Council of NSW, observed that it may be necessary to rethink the design of the current taxi fleet to ensure that any new taxi design is able to meet the transport needs of the whole community:

We need to ask who uses transport of this type in a population that is ageing; how do we use that transport; where is it going; what is the potential for growth; and, therefore, what kinds of vehicles suit us? It might be that if we started from scratch - fantastic new idea! - we might not come up with the current vehicles we are using as the ideal type. That is a strategic long-term question that I think we all need to ask. Redesigning taxis is not just about making them wheelchair accessible, it is a much bigger and more satisfying question than that, I think, because a taxi that suits everybody will benefit the community as a whole.<sup>601</sup>

- 8.6** Mr Christopher Brown, Managing Director, Tourism and Transport Forum, acknowledged that there may be difficulties in moving towards an entirely new vehicle design, stating that the move 'is not going to happen overnight, and Holden and Ford will scream, along with other major players in the cab industry, but surely we should move in the long term - we can certainly put stakes in the ground now - toward a specifically designed cab that would be wheelchair accessible'.<sup>602</sup>

- 8.7** Mr Herd said 'there is a range of measures that could be taken to improve the supply but I think the simplest and most straightforward thing would be for somebody to say 10 years from now every taxi in New South Wales will be wheelchair accessible and then go about changing this industry'.<sup>603</sup>

- 8.8** NCOSS considered that the costs of introducing a universally accessible fleet could be met through a small levy on every taxi trip:

A small levy of 20c per trip to assist the industry to adjust to changes, imposed over 5 years ... Based on the estimation that taxis in Sydney perform 175 million passenger

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<sup>599</sup> Submission 35, National Disability Services of NSW, pp 4-5

<sup>600</sup> Ms Alison Peters, Director, Council of Social Services of NSW, Evidence, 3 February 2010, p 15

<sup>601</sup> Mr Dougie Herd, Executive Officer, Disability Council of NSW, Evidence, 3 February 2010, p 4

<sup>602</sup> Mr Christopher Brown, Managing Director, Tourism and Transport Forum, Evidence, 4 February 2010, p 11

<sup>603</sup> Mr Herd, Evidence, 3 February 2010, p 7

journeys a year (or 97 million trips per year), a 20c levy could generate approximately \$20m per annum.<sup>604</sup>

**8.9** NCOSS observed that the levy could be used to ‘subsidise the purchase of accessible vehicles and provide training to drivers to improve competency in providing service to a diverse range of community members. Vehicle replacement subsidies should be prioritised for smaller operators such as owner/drivers’.<sup>605</sup>

**8.10** The NSW Disability Discrimination Legal Centre Inc and the Physical Disability Council of NSW suggested that there should be a gradual move towards a universally accessible fleet, achieved through replacing taxis that have reached the end of their lifespan with new universally accessible vehicle:

... we would like to see steps taken towards achieving a universally designed taxi fleet. We envisage that this would be similar to the London taxi fleet. It is our position that this could be achieved by replacing a regular taxi with an accessible taxi once the regular taxis can no longer be driven as a taxi, after ten years. Therefore, if 500 regular taxis were replaced per annum, the entire taxi fleet would be accessible within ten years.<sup>606</sup>

**8.11** There are several overseas examples of a universally accessible taxi fleet. Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, described the situation in London:

... over a period of time, by 1987, rules were introduced in the United Kingdom, certainly for the London taxis, some 16,000 of them, that gave them a period of 14 years for every vehicle to be wheelchair accessible.<sup>607</sup>

**8.12** Mr Herd explained his understanding of the impact of the introduction of a universally accessible fleet in Edinburgh, Scotland:

I have used taxis in an environment in which they are all accessible and, no matter what anybody wants to say, the taxi industry in Edinburgh did not collapse when it became a requirement to have all taxis wheelchair accessible - in fact it grew. There are now more taxis on the street in Edinburgh than there used to be ...I am suggesting that the argument that is made that we will go to hell in a handcart if we turn all our taxis into wheelchair accessible taxis is not supported by evidence from overseas, evidence that is based now over 10 years of hard experience, and people just need to get used to that idea.<sup>608</sup>

<sup>604</sup> Submission 25, Council of Social Services of NSW, p 13

<sup>605</sup> Submission 25, pp 13-14

<sup>606</sup> Submission 14, NSW Disability Discrimination Legal Centre Inc and Physical Disability Council of NSW, p 8

<sup>607</sup> Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia Limited, Evidence, 31 March 2010, p 12

<sup>608</sup> Mr Herd, Evidence, 3 February 2010, p 8

**8.13** Mr Brown acknowledged that some people may prefer not to travel in an accessible vehicle, but continued to note the important role that good design would play in overcoming reluctance to travelling in an accessible taxi:

We can, through smart engineering, design a cab that suits - and with the ageing of the population this is only going to become more of an issue - both a passenger who is walking and a passenger in a chair. There should not have to be offence on design grounds, nor should we continue the inequitable view that 'That's not for me'. I think we can achieve both aims in future with better design of cabs.<sup>609</sup>

**8.14** Mr Paul Fletcher, taxi driver, noted that some passengers may be averse to travelling in an accessible vehicle:

A great percentage of passengers do not want to travel in a WATS type vehicle for many reasons; they can be difficult to step up into and get down out of, they don't like the sliding doors, many aged people feel that to be seen in one implies to their neighbours and friends that they have become infirm, many don't like the ride, among other things.<sup>610</sup>

**8.15** Before introducing a universally accessible vehicle, Ms Jordana Goodman, Policy Officer, Physical Disability Council of NSW, suggested that a national regulatory body should be established to clarify issues relating to:

- design of different mobility aids
- safety issues
- regulatory frameworks
- customer need
- identifying an appropriate vehicle.<sup>611</sup>

**8.16** Spinal Cord Injuries Australia held a similar view, suggesting that the NSW Government should work with the disability sector to undertake 'formal feasibility study into the creation of a universal fleet of taxis' and urging the study 'to commence as a priority'.<sup>612</sup>

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<sup>609</sup> Mr Brown, Evidence, 4 February 2010, p 11

<sup>610</sup> Supplementary Submission 44a, Mr Paul Fletcher, p 2

<sup>611</sup> Answers to questions on notice taken during evidence 3 February 2010, Ms Jordana Goodman, Policy Officer, Physical Disability Council of NSW, p 8

<sup>612</sup> Submission 62, p 13

### Concerns with the introduction of a universally accessible fleet

- 8.17** Despite the widespread support for the introduction of a universally accessible taxi fleet, Inquiry participants also identified potential issues with such a move. Mr Adam Johnston, a user of WATs, noted that there may be difficulties in determining the design of the vehicle to fit the maximum types of mobility devices:

When we are talking about universal taxis the problems is that we are not talking about a universal wheelchair ... It would be difficult to design a universal taxi which met all requirements and which could still fit on the roadway, under bridges in garages and so forth.<sup>613</sup>

- 8.18** Mr Johnston further observed that ‘because of the changes in technology, needs and standards over time, you might end up with a redundant universal fleet as soon as you get it on the road’.<sup>614</sup>

- 8.19** The NSW Taxi Council made a cautionary note, stating that ‘it might be assumed that more WATS equals better service but the equation is not a simple as that. Consideration must also be given to the impact this would have on quality of service provided to people who use wheelchairs’.<sup>615</sup>

- 8.20** In particular, the NSW Taxi Council was concerned that not all drivers of a universally accessible taxi would have the necessary skills and temperament to provide high-quality service to passengers with disability:

WAT drivers must undertake two days additional training to learn how to provide a high level of service with a high degree of safety for WAT passengers. The NSW Taxi Council firmly believes that unless a driver utilises the skills learnt during training on a reasonably regular basis the benefits of the learning will be lost. If every taxi was a WAT, then it would be very rare for any individual driver to ever come across a WAT passenger and its seems the risk of the driver having forgotten what to do or that rarely-used restraint devices have been lost, damaged or missing will be much greater. Furthermore, providing a high level of service to people in wheelchairs requires a certain type of personality and other attributes. Not all taxi drivers are well-suited to the role ... There are advantages in having this specialised work performed by drivers who choose to do and enjoy this work.<sup>616</sup>

- 8.21** However, the central concern in regards to the introduction of a universally accessible fleet was the cost associated with converting the entire taxi fleet. NSW Transport and Infrastructure advised that in 2004/05 the WAT Taskforce had considered the feasibility of introducing a universally accessible taxi, and found the cost to be substantial:

Existing demand for WAT services does not demonstrate the need for a fully accessible taxi fleet at this time. The cost of introducing a universally accessible fleet is

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<sup>613</sup> Mr Adam Johnston, Evidence, 4 February 2010, p 43

<sup>614</sup> Mr Johnston, Evidence, 4 February 2010, p 41

<sup>615</sup> Supplementary Submission 42a, NSW Taxi Council, p 6

<sup>616</sup> Supplementary Submission 42a, p 6

conservatively estimated to be over \$174 million for the current fleet, at an additional cost of \$30,000 per taxi. This substantial cost must ultimately be borne by all taxi passengers through increased fares or by the NSW Government.<sup>617</sup>

**8.22** Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, said: 'I do not disagree with what is trying to be achieved in terms of providing a service, but there are practical difficulties ... in terms of trying to find a vehicle that is economically viable. Given the scale of the industry in New South Wales, it has been difficult'.<sup>618</sup>

**8.23** Mr Kermode suggested that a more cost-effective approach would be to introduce a universally accessible taxi on a national basis, rather than only in NSW:

... I do not think we have the critical mass for somebody to mass produce that vehicle for the Australian market. The Government would have to set out a long period of time for introduction of that if somebody is brave enough to make that move, but I think it would have to be on a national basis rather than on a State basis.<sup>619</sup>

**8.24** Mr Fletcher also observed that the cost of a universally accessible vehicle may be prohibitive: 'The cost would be astronomical in our limited market, thus pricing it out of range within our fare structure'.<sup>620</sup>

#### *Committee comment*

**8.25** Despite the increases in number of WATs in the fleet as discussed in Chapter 7, people with disability do not have equal access to taxi services. The introduction of a universally accessible taxi fleet would overcome this inequality, as well as meeting the changing needs of a population that is rapidly ageing.

**8.26** The Committee acknowledges the comments of some Inquiry participants regarding the financial burden of introducing a universally accessible fleet, and the difficulties in ensuring that all taxi drivers have the necessary skills to transport people with disability. Nevertheless, the Committee considers that the introduction of a universally accessible fleet merits detailed consideration, particularly given the benefits in ensuring equal access to taxi transport for the entire population.<sup>620</sup>

**8.27** The Committee notes the proposal by NCOSS that a 20 cent per trip levy imposed over 5 years could be used to subsidise the purchase of accessible vehicles and meet other costs of introducing a universally accessible fleet.

**8.28** The Committee believes that more research should be undertaken into introducing a universally accessible fleet in each State and Territory in order to maximising the cost efficiencies that can be achieved. The NSW Minister for Transport should request that the Australian Transport Council, which comprises the Commonwealth, State and Territory Ministers for Transport, to undertake a feasibility study into the introduction of a universally

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<sup>617</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Les Wielinga, Director General, NSW Transport and Infrastructure, p 4

<sup>618</sup> Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, Evidence, 31 March 2010, p 33

<sup>619</sup> Mr Kermode, Evidence, 31 March 2010, p 12

<sup>620</sup> Supplementary Submission 44a, p 2

accessible taxi fleet in Australia. This study should examine both the costs of converting the fleet, and the potential long-term benefits that may be gained from ensuring the maximum accessibility of the fleet, and consider financial incentives to upgrade the standard taxi fleet.

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### Recommendation 29

That the NSW Minister for Transport request the Australian Transport Council undertake a feasibility study into the introduction of a universally accessible taxi fleet in Australia, and as part of this study examine ways in which the standard taxi fleet can be upgraded to be wheelchair accessible taxi compliant, including financial incentives.

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## Accessing a wheelchair accessible taxi

**8.29** This section examines a range of issues relating to accessing a WAT, including the use of the Zero200 booking service and private arrangements between passengers and drivers. The section also discusses the accessibility of taxi ranks for people with disability, the set-down and pick-up of passengers, and the unique needs of the vision impaired when accessing a taxi.

### The Zero200 booking service

**8.30** The Zero200 booking service was established in 1984 to improve service levels by providing access, through a centralised phone number, to WATs operating across the entire Sydney network.<sup>621</sup> All WATs must be signed on to the Zero200 booking service when on the road.

**8.31** The NSW Taxi Council explained that the Zero200 booking service ‘operates in Sydney so that all bookings made to this service are made available to every WAT in Sydney. This maximises the standard of service available to customers by ensuring the closest available WAT can be used’.<sup>622</sup>

**8.32** Mr Ramshaw observed the lengths that the centralised booking system goes to in order to meet passenger needs:

Zero200 goes to much greater lengths than other call centres in making every effort to ensure passengers who book WATs are picked up. This includes closely monitoring the progress of each booking, contacting WAT drivers directly to find drivers to accept individual bookings if problems arise, contacting the customer to keep them abreast of progress. These measures consume considerably more resources than dealing with non-WAT bookings.<sup>623</sup>

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<sup>621</sup> Ministry of Transport, *Wheelchair Accessible Taxi Taskforce Interim Brief to the Minister for Transport Services*, September 2004, p 8

<sup>622</sup> Submission 42, NSW Taxi Council, p 10

<sup>623</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, p 3

- 8.33** In addition to the centralised booking service, the NSW Taxi Council explained that driver behaviour is also monitored by Zero200:

Each network has delegated responsibility to the Zero200 Radio Booking Service for monitoring driver behaviour and imposition of penalties. Each network has agreed to support a set of procedures to counsel and ultimately penalise their own drivers who do not comply with procedures ... Drivers who are not accepting an adequate number of bookings are requested to present evidence that they are providing sufficient service to wheelchair passengers.<sup>624</sup>

- 8.34** The Wheelchair Accessible Taxi Taskforce 2005 reported in its assessment of the Zero200 booking service that ‘insufficient regard is given to passengers’ requirements for pick-up procedures or vehicle needs. Some drivers also report a lack of detailed information on pick-up location for bookings, resulting in delays and possible non-arrival of the WAT’.<sup>625</sup>

- 8.35** Mr Michael Jools, President of the Australian Taxi Drivers’ Association, noted that the Zero200 despatch system was unable to efficiently deal with bookings made in advance:

Generally all network booking systems, including Zero200, pass on to drivers, one at a time, the job offer from a passenger, just before the pick-up is due. For the standard fleet that is about six to seven minutes prior to the booked time; for WATs the advance may be longer. But even where a passenger gives long term pre-advance, of several hours or even days, the booking does not go out to drivers such as would enable them to plan ahead their day’s work.<sup>626</sup>

- 8.36** Mr Jools suggested that to improve services for WAT users and increase driver opportunities to respond to bookings, the existing procedure used by the booking service should be reviewed to allow the allocation of forward booking requests at the time the booking is made.<sup>627</sup>

- 8.37** Mr Johnston observed that ‘from a passenger’s point of view, the radio network is very ineffective’:

In order to travel to appointments on time, I generally make arrangements directly with drivers, as the radio network has never been known for timeliness or efficiency ... I certainly do not believe so, and would never rely on a radio room booking for a truly important engagement.<sup>628</sup>

- 8.38** Mr Johnston further observed that he uses Zero200 very rarely because:

... my few experiences have been negative and because at any time I hear about it people’s experiences are generally negative ... I have found a better system to deliver

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<sup>624</sup> Submission 42, p 18

<sup>625</sup> Ministry of Transport, *Wheelchair Accessible Taxi Taskforce Taskforce Report*, November 2005, p 31

<sup>626</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Michael Jools, President, Australian Taxi Drivers Association, p 4

<sup>627</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Jools, p 4

<sup>628</sup> Submission 1, Mr Adam Johnston, p 4

me the services that I want when I want them, and I have found a series of providers who are happy to provide it for me.<sup>629</sup>

- 8.39** Mr Ramshaw acknowledged the difficulties that can be experienced by passengers booking a vehicle through the Zero200 system:

Difficulties experienced by customers can also be caused by factors outside the control of the taxi industry. The type of wheelchair a customer uses can constrain the range of vehicles that can provide a service for that customer ... Constraints on the type of WAT that can serve a particular passenger will in many cases result in longer delays as the closest available WAT may not be suitable.<sup>630</sup>

### Private bookings

- 8.40** Despite the existence of the Zero200 booking network, and possibly because of the problems experienced when using Zero200, many users of WATs choose to book directly with a preferred taxi driver. The Wheelchair Accessible Taskforce Report 2005 estimated that approximately 40 per cent of all WAT bookings are made privately between the passenger and the driver.<sup>631</sup> The NSW Taxi Council estimated that up to fifty per cent of WAT jobs are made through private booking arrangements.<sup>632</sup>

- 8.41** Mr Ramshaw outlined some of the reasons why WAT passengers choose to make private arrangements with drivers rather than use the Zero200 booking system:

The specific and special needs of WAT passengers are highly individual. Due to their heavy reliance on taxi services people who travel in wheelchairs often have quite regular, well-planned and predictable travel needs. This combined with a potential level of vulnerability that such customers can feel makes it attractive for passengers to find a WAT driver who works in their area, who becomes well-versed in their individual needs and preferences and who is willing to accept a regular pattern of work. It is to be expected that WAT drivers who provide good service generate customer loyalty as happens in other industries. This is the principle reason why WAT passengers often prefer to travel with a particular driver.<sup>633</sup>

- 8.42** Mr Johnston advised that he arranges his WAT trips 'exclusively' by private arrangement:

I ring my driver directly and have him arrange all my bookings. I either make a telephone call or send him a text message usually about 24 hours before I need to go somewhere so that can be arranged. I do not know how he organises it but he will either come himself or send people he knows. With that I know I will get a taxi when I want it, to go where I want it to go and at the right time, and I will also be picked up at the right time to go back home.<sup>634</sup>

<sup>629</sup> Mr Adam Johnston, Evidence, 4 February 2010, p 43

<sup>630</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Ramshaw, p 3

<sup>631</sup> Ministry of Transport, *Wheelchair Accessible Taxi Taskforce - Taskforce Report November 2005*, p 22

<sup>632</sup> Submission 42, p17

<sup>633</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Ramshaw, p 4

<sup>634</sup> Mr Johnston, Evidence, 4 February 2010, p 39

- 8.43** Mr Greg Killeen, a user of WATs, noted that in addition to having benefits for passengers, some WAT drivers also prefer to make private arrangements directly with passengers:

Some drivers are very proactive: they have lots of private clients and they are doing lots of wheelchair work ... you get some drivers who are very proactive. They are giving out their cards and saying, "Give me a call if you need a cab." They are getting lots of work. A guy I know tells me he does 60 wheelchair jobs a week - or 200 a month I think it was. So he is doing lots.<sup>635</sup>

### **Rank and hail taxis**

- 8.44** The Independent Pricing and Regulatory Tribunal estimates that only 20 per cent of trips in standard taxis are booked through a network booking service, with the majority of individuals wishing to use a standard taxi either hailing a taxi from the street or waiting at a taxi rank.<sup>636</sup> WAT users, however, are unlikely to secure a WAT through hailing or at a taxi rank.<sup>637</sup>

- 8.45** Mr Herd said that WAT passenger are more likely to book their taxi trip because '90 per cent of taxis are not wheelchair accessible, so your chances that a wheelchair accessible taxi will come along your street at any given point time on the day are frankly not even 1 in 10 – they are less than 1 in 10'.<sup>638</sup>

- 8.46** The Disability Council of NSW similarly stated that WAT passengers are highly unlikely to access a WAT at a taxi rank:

Luck determines whether or not a WAT might be sitting on any given rank on any given day. Wheelchair users cannot run their lives on the basis of luck, especially when nine out of ten taxis in NSW are not wheelchair accessible. Similarly it would be a brave or foolish wheelchair user who relied on the tried and tested method of hailing a cab by waiting on a street corner for a passing vehicle. One could wait until the cows come home (and then some).<sup>639</sup>

- 8.47** Mr Herd brought to the Committee's attention the financial inequality of this situation, given the extra costs associated with booking a taxi through a booking service:

If people with disabilities who use wheelchairs want a taxi they get on the phone ... That is unfair, because it takes longer, I have to pay for my mobile phone for the phone call and I have to pay a \$2 booking fee. My journey is going to take longer, it is going to cost on average more and, even with the subsidy that I receive from the State Government, I am still going to pay more than you will for a journey. And there will be an \$8.75 bonus given to the driver for doing that which is legally required in any case. By any stretch of the imagination, that does not look like equal treatment to me.<sup>640</sup>

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<sup>635</sup> Mr Greg Killeen, Evidence, 4 February 2010, p 37

<sup>636</sup> Independent Pricing and Regulatory Tribunal, *IPART 2009 Review of Taxi Fares in NSW*, p 28

<sup>637</sup> Submission 25, p 8

<sup>638</sup> Mr Herd, Evidence, 3 February 2010, p 3

<sup>639</sup> Submission 43, Disability Council of NSW, p 2

<sup>640</sup> Mr Herd, Evidence, 3 February 2010, p 8

- 8.48** However, some Inquiry participants noted that it is possible to secure a WAT via the rank or hail method, depending on the location. Mr Killeen said that ‘if you live in the eastern suburbs or the CBD, there are stacks of wheelchair cabs. We are not talking about a situation where you cannot do a street hail or a rank job’.<sup>641</sup>
- 8.49** Mr Herd noted the ease with which he was able to hail a WAT near the University of Sydney, but ‘if, however, the same thing had happened to me, let us say at the University of Western Sydney, I think I would have been waiting to the end of my life for a wheelchair accessible taxi to just happen along the road. You just would not do it if you were a wheelchair taxi user’.<sup>642</sup>

***Committee comment***

- 8.50** The Committee acknowledges that many WAT passengers prefer to make private bookings with drivers rather than booking a WAT through the Zero200 booking service. The Committee believes that this practice will continue whilst WAT passengers receive more timely and reliable services from private arrangements. However, as the Committee previously noted in regard to trunk booking networks, passengers who make booking arrangements outside of the network booking system are not protected by the safety and security requirements that networks must provide.
- 8.51** The Committee believes that the Zero200 booking service should implement ways to better provide services to WAT passengers. In particular, Zero200 should create and implement ways to allow the forward allocation of booking requests at the time the booking is made. It would also be beneficial for the Zero200 booking service to be able to pre-book a regular pattern of work, to cater to passengers who regularly attend appointments.

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**Recommendation 30**

That NSW Transport and Infrastructure direct the Zero200 booking service to create and implement ways to allow pre-allocation of booking requests at the time a booking is made and to allow pre-booking of regular trips.

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- 8.52** Furthermore, the Committee considers that, subject to privacy considerations and the consent of passengers, the Zero200 booking service could retain customer information such as a requirement for a certain type of vehicle or pick-up procedure. The retention of such information could facilitate quicker, and more reliable, service when bookings are made using the network.

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**Recommendation 31**

That, subject to privacy considerations and the consent of passengers, NSW Transport and Infrastructure request that the Zero200 booking service to investigate how to retain customer information, such as a requirement for a certain type of vehicle or pick-up procedure.

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<sup>641</sup> Mr Killeen, Evidence 4 February 2010, p 36

<sup>642</sup> Mr Herd, Evidence, 3 February 2010, pp 3-4

- 8.53** The Committee considers that its earlier recommendation that NSW Transport and Infrastructure examine the feasibility of introducing a universally accessible taxi will contribute to a vastly improved ability of WAT passengers to secure an accessible vehicle at taxi ranks. In the interim, it is hoped that continued growth in the WAT fleet would assist to alleviate some of the challenges faced by passengers in accessing a WAT at a taxi rank or on the street.

### **The accessibility of taxi ranks**

- 8.54** The accessibility of taxi ranks can also present challenges to people with disability. The Penrith Disabilities Resource Centre Inc highlighted the problems that people with disability can face:

People with disabilities have varying problems, such as locating and reading the signage, to gain a position in the taxi queue, and maintaining their position in same ... A suggested recommendation is to erect clear signage and a guide rail in conjunction with ground surface indicators (GSI) would help keep the intending passengers in a orderly queue at major taxi ranks.<sup>643</sup>

- 8.55** NCOSS noted that '[t]here is also little or no data available about the accessibility of taxi ranks'.<sup>644</sup> The *Review of the Disability Standards for Accessible Transport* identified two key areas of concern in regards to the accessibility of taxi ranks:

- people with visual impairments are often unable to use ranks because of incorrect or unreliable use of tactile ground surface indicators
- people are reluctant to use taxi ranks due to uncertainty about the accessibility of the rank, and the availability of WATS at the rank.<sup>645</sup>

- 8.56** NCOSS advised that 'ensuring accessible taxi ranks is the responsibility of the local government'.<sup>646</sup> Ms Samantha Edmonds, Deputy Director-Policy and Communications, NCOSS, suggested that local councils should work with disability advocacy groups to improve the accessibility of taxi ranks:

It would need to work with disability groups to find out what is needed at a taxi rank to make it accessible to the range of disabilities and impairments that exist. At a basic level it would be about having seating, shelter, numbers, and numbers in Braille. It would be about the flatness of the area around the rank, ease of access to that rank, and what people have to do to get there.<sup>647</sup>

### ***Committee comment***

- 8.57** The Committee considers that improving the accessibility of taxi ranks will assist to improve the overall accessibility of the taxi fleet, and to ensure that all people have equal access to taxis.

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<sup>643</sup> Submission 23, Penrith Disabilities Resource Centre Inc, p 3

<sup>644</sup> Submission 25, p 11

<sup>645</sup> Submission 25, p 11

<sup>646</sup> Submission 25, p 11

<sup>647</sup> Ms Samantha Edmonds, Deputy Director-Policy and Communications, Council of Social Services of NSW, Evidence, 3 February 2010, p 17

As such, the Committee believes that the Minister for Local Government should request local councils to undertake a review of taxi ranks in their area to determine rank accessibility, and identify areas where improvements can be made. This review, and any consequent action, should involve consultation with disability advocacy groups.

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### Recommendation 32

That the Minister for Local Government request local councils to undertake a review of taxi ranks in their area to determine rank accessibility, and identify areas where improvements can be made.

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### Pick-up and set-down of passengers

- 8.58** Inquiry participants advised that it can be difficult to set-down and pick-up WAT passengers. Mr Ernie Mollenhauer, Delegate-nominee, NSW Taxi Drivers Association, advised of the difficulties often faced by drivers in legally picking up and dropping off WAT passengers in a disabled zone:

The fine for stopping in a disabled zone is \$422. That is outrageous for taxidivers. If I take a disabled person to a point where they can alight, they can put their permit in the window and I can drop them at that disabled person's disembarkation point. But if I return to pick them up, I will be fined albeit that they are disabled and albeit that I am a taxi, because the permit is not in the cab. If they can throw the permit over the window of a moving cab, I can then legally stop and pick them up.<sup>648</sup>

- 8.59** The restriction on stopping presents difficulties for passengers with disability, particularly those whose mobility or vision is impaired. Vision Australia outlined the impact of this on people with a vision impairment:

Many people who are blind or have low vision require taxi transport in order to get as close to their destination as possible; in circumstances such as it being an unfamiliar area or difficult environment to travel, or where the passenger requires a little assistance to get into the premises. In many parts of Sydney in particular, this is extremely challenging for a driver. This is mainly due to the presence of 'no stopping signs' and the risk of high fines. This is understandably a significant disincentive for drivers to provide that little extra assistance to passengers.<sup>649</sup>

- 8.60** NCOSS suggested that loading zones 'should be made available for taxi drivers who are transporting people who use wheelchairs as long as they have the right permits etc. The taxi should be able to stop in the zone and leave the vehicle for up to 15 minutes in order to assist the passenger before being fined'.<sup>650</sup>

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<sup>648</sup> Mr Ernie Mollenhauer, Delegate-nominee, NSW Taxi Drivers Association, Evidence, 2 February 2010, p 26

<sup>649</sup> Submission 61, Vision Australia, p 4

<sup>650</sup> Answers to questions taken on notice during evidence 3 February 2010, Ms Peters, p 2

**8.61** Facilitating greater ease of passenger pick-up and set-down is discussed in Chapter 11.

*Committee comment*

**8.62** The Committee considers that WAT drivers should be allowed to stop for up to 15 minutes in disabled parking zones, and in loading zones, to allow for the set-down and pick-up of passengers with disability. This will allow taxi drivers to better meet the needs of their passengers, and assist passengers with disability to safely enter and exit a taxi.

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**Recommendation 33**

That the Minister for Transport amend the parking regulations to allow wheelchair accessible taxis to stop for up to 15 minutes in disabled parking zones and in loading zones to set-down and pick-up passengers with disability.

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**The vision impaired community**

**8.63** People with a visual impairment experience a unique range of challenges in using taxis as a form of transport. In relating the experiences of a member of the Disability Council of NSW, Mr Herd highlighted a number of these challenges:

The member of our council who is blind and comes up from Geelong, and therefore travels by taxi from the airport to get here and back to the part of the city she lives in, tells us some story about taxis not stopping for her in the street. She has had problems with inaccuracies with the fare. She has been unable to identify drivers who have treated her rudely. She has not had access to information. She has therefore found it difficult to complain ... We have been told over a number of years by lots of people with a vision impairment, whether they are completely blind or partially sighted, that sometimes they feel taxi travel is problematic for them.<sup>651</sup>

**8.64** Vision Australia said that despite the 'Disability Discrimination Act 1992 (Cth); despite the New South Wales Anti-Discrimination Act, and despite regulations within the New South Wales transport related legislation, we are still repeatedly hearing reports of drivers breaching these laws'.<sup>652</sup>

**8.65** In particular, Vision Australia cited the following examples of breaches of the relevant Acts by drivers refusing to carry a passenger with a guide dog:

- once arriving for a booked fare without knowledge of a passenger being a dog guide user, refusing to carry the passenger
- deliberately not stopping for a passenger using a dog guide and assisted by a sighted person to hail a cab

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<sup>651</sup> Mr Herd, Evidence, 3 February 2010, p 4

<sup>652</sup> Submission 61, p 2

- at taxi ranks, getting to the head of a rank, pausing and then driving off once they sight a passenger with a dog guide.<sup>653</sup>

**8.66** National Disability Services NSW also highlighted that their members ‘report that catching taxis with a guide dog can be difficult as many taxi drivers appear to have an aversion to allowing the guide dogs into their cabs’:

This behaviour is not only discriminatory; it creates further difficulties for people attempting to use public transport. A Guide Dog is a vital means of independent travel for many people living with impaired vision. As a mobility aid, law permits a Guide Dog to accompany their users in all forms of public transport, including taxis, buses and trains.<sup>654</sup>

**8.67** Vision Australia said that the prosecution rate of drivers who refuse to carry assistance animal is extremely high if the passenger is able to provide NSW Transport and Infrastructure with the taxi number. A recent court case highlighted the potential repercussions for taxi drivers, with a driver convicted and fined \$750 and ordered to pay \$2,500 in legal fees for refusing to carry the Australian Disability Discrimination Commissioner, Mr Graeme Innes, and his guide dog.<sup>655</sup>

**8.68** However, Vision Australia suggested that instead of fines, ‘there would be a more significant impact on the taxi driver if demerit points were considered’.<sup>656</sup> Vision Australia also observed that ‘far more rigorous screening for drivers’ knowledge of the legal responsibility to carry dog guides in the licensing process (including compulsory training and re-training) should also be considered’.<sup>657</sup>

**8.69** Ms Peters highlighted that disability awareness training for all taxi drivers would also be ‘an important first step so that taxi drivers are reminded that it is actually a legal requirement that they accept passengers with assistance animals’.<sup>658</sup>

**8.70** An additional problem for people with vision impairment is determining the cost of the final taxi fare. Mr Herd suggested that ‘it ought not be beyond the width of people who design our systems to have a talking meter that tells you what is the fare’.<sup>659</sup>

**8.71** Vision Australia also indicated that introducing a talking meter would be beneficial:

In this environment of digital technology, and given the relatively finite nature of information on a taxi meter, it should be quite achievable to provide passengers who

<sup>653</sup> Submission 61, p 2

<sup>654</sup> Submission 35, p 8

<sup>655</sup> Kontominas, B, *The Sydney Morning Herald*, ‘Taxi driver fined for refusing to carry guide dog’ <<http://www.smh.com.au/nsw/taxi-driver-fined-for-refusing-to-carry-guide-dog-20100317-qfqh.html>> (accessed 22 April 2010)

<sup>656</sup> Submission 61, pp 2-3

<sup>657</sup> Submission 61, pp 2-3

<sup>658</sup> Ms Peters, Evidence, 3 February 2010, p 13

<sup>659</sup> Mr Herd, Evidence, 3 February 2010, p 9

are blind or have low vision with this information via a talking meter which is always on, and which verbalizes the information displayed in the same way as GPS systems verbalize directions.<sup>660</sup>

- 8.72** Vision Australia further noted that passengers with a visual impairment can experience difficulties reading the vehicle identification number, despite the requirement that all taxis have their vehicle identification number in large, raised numbers on the passenger doors:

... feed back from clients since the implementation of these tactile large numbers, has indicated that they are not as useful as they might be if they were to include the information additionally in Braille, and to be also located inside the cab.<sup>661</sup>

***Committee comment***

- 8.73** The Committee notes the requirement that all taxis have their vehicle identification number in large, raised numbers on the passenger doors. The Committee believes that NSW Transport and Infrastructure should consult with Vision Australia to determine ways to further improve the accessibility of taxis for people with vision impairment. This consultation should include discussion of requiring taxis to have their identification numbers in both Braille and standard numbers inside the vehicle, and the feasibility of developing a talking meter to increase confidence in the fares charged upon the completion of a journey.

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**Recommendation 34**

That NSW Transport and Infrastructure consult with Vision Australia to determine ways to improve the accessibility of taxis for people with vision impairment.

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- 8.74** The Committee considers that all driver training programs should include a compulsory component of disability awareness training, which reminds drivers of their legal obligation to carry passengers who are accompanied by an assistance animal. The issue of driver training is discussed in detail later in this chapter.

## **Taxi Transport Subsidy Scheme**

- 8.75** The Taxi Transport Subsidy Scheme (TTSS) was introduced in 1981 'to assist residents of NSW who are unable to use public transport because of a qualifying severe and permanent disability'.<sup>662</sup> The current maximum subsidy payable under the scheme is \$30.00 per fare, or up to half the total fare.<sup>663</sup> NSW Transport and Infrastructure highlighted that 'NSW is one of

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<sup>660</sup> Submission 61, p 5

<sup>661</sup> Submission 61, p 6

<sup>662</sup> NSW Transport and Infrastructure, *Taxi Transport Subsidy Scheme* <<http://www.transport.nsw.gov.au/ttss/>>

<sup>663</sup> NSW Transport and Infrastructure, *Taxi Transport Subsidy Scheme* <<http://www.transport.nsw.gov.au/ttss/>>

the few States which does not place a limit on the total number or value of trips which can be subsidised'.<sup>664</sup>

**8.76** National Disability Services NSW advised that to be eligible for the TTSS, a person must have a permanent disability that is classified in one of the following categories:

- ambulatory problems including being restricted to a wheelchair
- permanent inability to walk more than severely limited distances
- total loss of vision in both eyes or severe permanent impairment
- severe and uncontrollable epilepsy
- severe intellectual disabilities causing behavioural problems
- severe and permanent communication difficulties.<sup>665</sup>

**8.77** A number of Inquiry participants advocated to increase the value of the subsidy provided by the scheme.<sup>666</sup> For example, the Disability Council of NSW said:

... a reasonable (probably strong) case can be made that the subsidy has not kept pace with rising costs and that there has been a reduction in its real terms value over the period of its operation. We further believe that the level at which the subsidy sits (50% of the metered fare) does not recognise that wheelchair accessible taxi journeys are often (perhaps usually) longer on average than the average length of taxi journeys generally.<sup>667</sup>

**8.78** National Disability Services NSW further outlined reasons why the subsidy should be increased, noting that the TTSS has not been reviewed since 1999 and advising that until 2008 taxi fares increased by slightly more than 40 per cent while the CPI has increased by 28 per cent over the same period:

People eligible for TTSS are likely to be on fixed incomes, and are consequently struggling to keep up with the increase in costs in real terms of the scheme. People eligible for the scheme are also likely to require taxis for a greater length of time for a trip, due to their mobility restrictions, than other passengers further adding to the cost of the fare.<sup>668</sup>

<sup>664</sup> Answers to questions on notice taken during evidence, 31 March 2010, Mr Wielinga, p 4

<sup>665</sup> Submission 35, p 6

<sup>666</sup> Submission 61, p 8; Submission 8, People With Disability Australia Incorporated, pp 1-2; answers to questions on notice taken during evidence 3 February 2010, Ms Jordana Goodman, Policy Officer, Physical Disability Council of NSW, pp 5-6

<sup>667</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Dougie Herd, Executive Officer, Disability Council of NSW, p 2

<sup>668</sup> Submission 35, p 6

**8.79** Mr Simon Darcy, a user of WATs, explained the financial impact of the static subsidy:

The individual has had to finance the gap between the subsidy and the real cost of traveling or not travel ... I regularly work in the City of Sydney and commute from Terrey Hills. In 1999, the meter charge would be between \$45-\$50. However, in 2010 this meter fare is now \$75-\$80 ... this has increased my cost of transport by some 250% or \$14,400 and created a major cost burden in maintaining transport to and from work.<sup>669</sup>

**8.80** The Northern Rivers Multiple Sclerosis Network of Care highlighted that the subsidy is often insufficient to cover travel costs for people with disabilities living in regional and rural areas:

While NSW government taxi concessions are available they involve no more than 50% of the cost of each trip up to a maximum concession of \$30 per trip. While this may be adequate for short trips it does not address the distances people may need to travel in this region. For example, for someone living at, say Lismore, to travel to Ballina, the return cab fare using a wheelchair accessible cab can be around \$150 plus - after rebates the cost is around \$90 - this is not feasible for someone relying on income support and requiring wheelchair accessible transport. Even for regular 'short trips' of around 3 per week the annual cost can be around \$1000 after concessions.<sup>670</sup>

**8.81** The Committee heard various suggestions about ways to overcome this issue. The Penrith Disabilities Resource Centre Inc suggested that 'the maximum subsidy should be increased immediately to \$50 maximum on a fare of \$100 dollars' and that the subsidy should be reviewed annually, linked to the CPI and or taxi fare increases.<sup>671</sup>**8.82** The Physical Disability Council of NSW also suggested that the TTSS be regularly reviewed, stating that 'the State Government urgently needs to review the Taxi Transport Subsidy Scheme as it was last reviewed in 1999, and needs to provide a mechanism where this subsidy is regularly reviewed, every five years to account for increases in inflation'.<sup>672</sup>**8.83** The Disability Council of NSW suggested that the upper limit of the fare attracting a subsidy should be increased to \$80, and that the level of subsidy should be increased to 75 per cent of the applicable fare.<sup>673</sup> The Disability Council explained that this increase would bring the TTSS to a level comparable with similar schemes in the other States and Territories:

The upper limit of the fare that may be subsidised has remained at \$30 for 20 years. It has not kept pace with inflation. That means there has been a decline in the real value of the subsidy. We suggest that decline should be reversed and the upper fare limit should be increased over time to restore its real value ... we suggest that the subsidy level be raised from 50% to 75%, in line with subsidy levels in the Australian Capital

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<sup>669</sup> Submission 61, p 3

<sup>670</sup> Submission 20, Northern Rivers Multiple Sclerosis Network of Care, p 2

<sup>671</sup> Submission 23, p 1

<sup>672</sup> Answers to questions on notice taken during evidence 3 February 2010, Ms Goodman, pp 5-6

<sup>673</sup> Answers to questions on notice taken during evidence, 3 February 2010, Mr Herd, p 2

Territory, South Australia and Western Australia. We note that the subsidy level in Tasmania is 60% and 50% in other jurisdictions.<sup>674</sup>

- 8.84** Vision Australia noted that the Victorian TTSS subsidy has recently been doubled to provide a cap of \$60.<sup>675</sup> The Northern Rivers Multiple Sclerosis Network of Care also commented on the recent changes to the Victorian version of the scheme:

... Victoria, in December 2008, doubled the taxi fare subsidy from \$30 to \$60 per trip subject to passengers paying 50% of the fare. There is an annual 'cap' of \$2,180 with discretion for exemptions/variations in specific circumstances - for example wheelchair users do not have an upper limit.<sup>676</sup>

- 8.85** The Physical Disability Council of NSW suggested that the TTSS should be 'increased from 50% of the taxi fare to 75% and that the upper limit of the subsidy to be increased from its current \$30 to \$50'.<sup>677</sup>

- 8.86** People with Disability Australia indicated their support for 'an increase in the amount of subsidy payable in NSW from 50% to 75%, as has been in place in other states. PWD also calls on the Government to increase the \$60 cap'.<sup>678</sup>

- 8.87** Spinal Cord Injuries Australia said that 'there is an urgent need for the TTSS to be reviewed with the aim of increasing the subsidy percentage from 50% to 75% and increasing the upper limit of the subsidised taxi fare from \$60 to \$100'.<sup>679</sup>

- 8.88** Despite the significant support from Inquiry participants for an increase in the subsidy provided by the TTSS, NSW Transport and Infrastructure advised that there did not appear to be sufficient evidence to support the need for an increase:

The average subsidy paid for all TTSS trips is currently \$11.76 (less than half of the \$30 subsidy cap), which indicates that the average fare being subsidised is \$23.52 ... These figures suggest that the Scheme provides an adequate level of subsidy for the taxi transport costs of the majority of participants.<sup>680</sup>

### *Committee comment*

- 8.89** The Committee notes the overwhelming support among Inquiry participants to increase the value of the subsidy provided by the TTSS. The Committee considers that NSW Transport and Infrastructure should increase the value of the subsidy to half the total fare, up to a maximum value of \$50.00 per fare, to ensure that the subsidy better reflects the increased travel costs faced by passengers with a disability, particularly those passengers in rural and regional areas.

<sup>674</sup> Submission 43, p 6

<sup>675</sup> Submission 61, p 8

<sup>676</sup> Submission 20, p 3

<sup>677</sup> Answers to questions on notice taken during evidence 3 February 2010, Ms Goodman, pp 5-6

<sup>678</sup> Submission 8, pp 1-2

<sup>679</sup> Submission 62, p 12

<sup>680</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 4

- 8.90** In addition, the Committee believes that the Premier should request the Independent Pricing and Regulatory Tribunal to consider the value of the subsidy provided by the TTSS as part of its annual review of taxi fares. This will ensure that any increases in taxi fares can be appropriately reflected through changes in the value of the TTSS.
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### **Recommendation 35**

That NSW Transport and Infrastructure increase the value of the subsidy provided by the Taxi Transport Subsidy Scheme to half the total fare, up to a maximum value of \$50.00 per fare.

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### **Recommendation 36**

That the Premier request the Independent Pricing and Regulatory Tribunal to consider the value of the subsidy provided under the Taxi Transport Subsidy Scheme as part of its annual review of taxi fares.

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### **Introduction of an electronic card payment system**

- 8.91** In addition to increasing the value of the TTSS, Inquiry participants advocated for the scheme to operate via an electronic card system. Currently, the scheme relies on paper dockets that are filled out by passengers. TTSS dockets are then processed through Cabcharge, with Cabcharge invoicing NSW Transport and Infrastructure on a monthly basis before subsequently reimbursing operators and networks.<sup>681</sup>
- 8.92** The Disability Council of NSW noted that ‘we strongly support and highly recommend the introduction of a smartcard system for the Taxi Transport Subsidy Scheme with a direct interface/connection to the meters used in taxis’.<sup>682</sup> The Council identified the following potential benefits from an electronic based card system:
- easier use by customers
  - reduction in the potential for fraud by drivers or customers
  - eradication of a costly, administratively cumbersome and time consuming paper systems
  - accurate and verifiable electronic transaction record-keeping
  - maximisation of government funded support to passenger travel rather than administration and processing of claims.<sup>683</sup>

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<sup>681</sup> NSW Transport and Infrastructure, *How will the Wheelchair Accessible Taxi Driver Incentive Payment Operate* <[www.transport.nsw.gov.au/taxi/wheelchair-incentive-trial.html](http://www.transport.nsw.gov.au/taxi/wheelchair-incentive-trial.html)> (accessed 17 February 2010)

<sup>682</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Herd, p 3

<sup>683</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Herd, p 3

**8.93** Mr Johnston also noted that there are several potential benefits of a card based system:

Smart card technology should also reduce fraud, as an electronic record is produced, and the machines I have seen use GPS technology to determine a taxi's position. This position appears on the receipt the driver gives the passenger at the end of a trip. Such technology simplifies matters for all parties, particularly for passengers with limited hand function (like me) who face challenges completing paper documents.<sup>684</sup>

**8.94** The Penrith Disabilities Resource Centre Inc highlighted that people with intellectual or physical disabilities and people with vision impairment have difficulties completing the current TTSS forms, and suggested a possible solution:

... the introduction of a scheme that was trialed in approximately 2005. This trial was carried out using an individual identity card rather than a docket for each taxi journey. This proved most beneficial and popular especially for those people with difficulties in completing their dockets. Should this suggestion be introduced it would eliminate any temptation for unscrupulous taxi drivers to falsify any details for their own advantage when filling in the passenger's docket.<sup>685</sup>

**8.95** Vision Australia also noted the success of the trial scheme for people with visual impairment, saying that 'we sincerely hope to see the introduction of an electronic payment system without undue delay':

... a number of people who are blind and have low vision participated in a trial of an electronic payment system (based on a card similar to a credit card) of the Subsidy portion of the TTSS and were very pleased with its ease of use, for both driver and passenger, and acknowledge its potential for decreasing some forms of fraud.<sup>686</sup>

**8.96** Mr Johnston observed that he 'would like it [the card] to be universally accepted so that, if I happened to be in another State and I want to use a wheelchair accessible taxi, I can do that without having to apply for other entitlements'.<sup>687</sup> Mr Johnston further noted that he would prefer the cars to not 'be automatically linked into Cabcharge. I think we need to encourage more competition and more companies'.<sup>688</sup>

**8.97** The NSW Taxi Council noted that the effectiveness of the TTSS 'is hampered by inefficiencies in the method of processing and handling payments':

Most other states in Australia used a card-based electronic payment system for their equivalent to the NSW TTSS and related payments, the NSW Taxi Council remains frustrated by the lack of progress in establishing a similar system, which was first trialed successfully in NSW prior to adoption in other states and territories.<sup>689</sup>

<sup>684</sup> Answers to questions on notice taken during evidence 4 February 2010, Mr Adam Johnston, p 3

<sup>685</sup> Submission 23, pp 1-2

<sup>686</sup> Submission 60, Vision Australia, pp 9-10

<sup>687</sup> Mr Johnston, Evidence, 4 February 2010, p 46

<sup>688</sup> Mr Johnston, Evidence, 4 February 2010, p 46

<sup>689</sup> Submission 42, p 22-23

**8.98** NSW Transport and Infrastructure advised that ‘Victoria, Queensland and, most recently, the Northern Territory, have implemented a card-based system. Cabcharge provides the core communications and data processing technology for these services, in each case’.<sup>690</sup>

**8.99** Mr Wielinga informed the Committee that NSW Transport and Infrastructure are currently examining the introduction of a card-based payment system, but that the tendering process is on hold ‘subject to some litigation that is going on between the Australian Competition and Consumer Commission and Cabcharge’.<sup>691</sup> Mr Wielinga continued:

We are exploring other electronic opportunities at the moment that are based around a credit card type arrangement, so that we can use the new technology like wireless systems and so forth to provide an alternative to that. Given the litigation that is in place, we need to keep at top of mind competition issues. We are doing that, but at the moment we are waiting for the outcome of the litigation.<sup>692</sup>

**8.100** In regard to enabling any electronic card issued in NSW to be compatible with the systems in other States, NSW Transport and Infrastructure advised that while ‘interstate compatibility is something that has been considered’:

To include interstate compatibility as a requirement for any procurement process for a TTSS smartcard system would introduce significant additional complexity and render this project dependent upon external factors outside NSW’s direct control.<sup>693</sup>

#### *Committee comment*

**8.101** The Committee considers that NSW Transport and Infrastructure should expedite the introduction of an electronic card system to facilitate payments made under the TTSS. This will alleviate the difficulties faced by people with intellectual or physical disabilities, and people with vision impairment, in filling out the paper dockets. The introduction of an electronic payment system may also reduce the instances of paper dockets being used fraudulently.

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#### **Recommendation 37**

That NSW Transport and Infrastructure expedite the introduction of an electronic card system to facilitate payments made under the Taxi Transport Subsidy Scheme.

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#### **Drivers of wheelchair accessible taxis**

**8.102** This section examines two issues that impact on WAT drivers: firstly, the additional driver training program that all WAT drivers must undertake, and secondly the Taxi Driver Incentive Scheme which provides an additional payment to drivers for undertaking WAT work.

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<sup>690</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 5

<sup>691</sup> Mr Wielinga, Evidence, 2 February 2010, p 15

<sup>692</sup> Mr Wielinga, Evidence, 2 February 2010, p 15

<sup>693</sup> Answers to questions on notice taken during evidence 31 March 2010, Mr Wielinga, p 5

### Driver training

- 8.103** The NSW Taxi Council advised that to become an accredited WAT driver, the applicant ‘must already be authorised as a taxi driver and must undergo extra training which takes two full days in the classroom for drivers in the metropolitan district and one classroom day or open learning in country areas’.<sup>694</sup>
- 8.104** The NSW Disability Discrimination Legal Centre Inc and the Physical Disability Council of NSW noted that although WAT drivers are required to complete this additional training and instruction in the care and transportation of people with physical disability, ‘there are still problems with the quality of driver training’.<sup>695</sup>
- 8.105** Spinal Cord Injuries Australia outlined some of the feedback that the organisation has received in regards to the service provide by taxi drivers:

Service quality is something that is also reported to our organisation to be very worrying with such a varied experience from WAT drivers that often the ‘regular’ taxi driver, one who the wheelchair user feels know their job, will be the one of choice. Anecdotally we have heard stories of wheelchairs broken whilst being restrained. Wheelchairs unrestrained as the taxi driver did not know how to apply the straps. There are some taxi drivers that, already in receipt of the driver incentive, try to apply a separate loading and unloading charge on their passengers.<sup>696</sup>

- 8.106** It was proposed by Inquiry participants that the WAT driver training course would be improved by having persons with disability deliver components of the course. The NSW Disability Discrimination Legal Centre Inc and Physical Disability Council of NSW said:

Although, the course includes awareness of the passenger’s needs, communication with the passengers and others, appropriate customer service, and the DDA, they should also have some basic disability awareness training, preferably delivered by a person with disability.<sup>697</sup>

- 8.107** Mr Herd also suggested that ‘there is a lot of benefit in having people with disability who have experience as trainers, as awareness raisers and as passengers involved in training’.<sup>698</sup>
- 8.108** NCOSS observed the current course only provides training relating to passengers with a physical disability, and suggested that disability awareness training be provided to all taxi drivers to better inform them of their responsibilities in transporting passengers with an intellectual disability:

... a driver of a WAT taxi may only be a person that has undergone training in the care and transport of persons with physical disabilities. This ignores the reality that some people with physical disability also have intellectual disability. Driver’s often do not know how to interact with a person with intellectual disability. Training and

<sup>694</sup> Submission 42, p 41

<sup>695</sup> Submission 14, p 4

<sup>696</sup> Submission 62, pp 6-7

<sup>697</sup> Submission 14, p 9

<sup>698</sup> Mr Herd, Evidence, 3 February 2010, p 3

education would improve the experiences of people with intellectual disability using taxis and enable drivers' to provide a better service. It would be positive to see this training expanded to all taxi drivers.<sup>699</sup>

- 8.109** The Disability Council of NSW also noted that drivers of standard taxis sometimes lack the necessary skills to transport people with a range of disabilities:

Generally, drivers of WAT vehicles display a genuine awareness and sensitivity to the varying needs of their passengers. This level of disability awareness is, however, largely absent in the general taxi fleet. This is of great concern to Council as people with disability access the full range of taxis available in the fleet.<sup>700</sup>

- 8.110** Mr Killeen observed that 'regardless how many plans, Acts, regulations laws and KPIs are in place to improve services and facilities for people with disability, often the hardest thing to improve is attitudes towards people with disability'.<sup>701</sup>

- 8.111** The Disability Council of NSW emphasised the importance of providing disability awareness training to all taxi drivers, not just WAT drivers, to help to overcome these attitudes:

... some drivers frequently and directly discriminate against people with disability, despite such behaviour being unlawful. In part, these discriminatory practices are continuing because drivers lack awareness of their obligation and responsibility to ensure that passengers who have a disability are treated fairly and with the same dignity as all other passengers. It is Council's view that people with a disability will continue to experience discrimination unless some form of disability awareness and etiquette training is made available to and ideally mandatory for all taxi drivers.<sup>702</sup>

- 8.112** The Committee does note that some Inquiry participants provided positive feedback in regard to their experiences with WAT drivers. For example, Ms Melinda Paterson, a user of WATs, said: 'I think taxi drivers receive a lot of negative press which is undeserved, and I see a big difference between weekday, career drivers and the weekend casuals ... During the past decade, I have only had a handful of less-than-ideal experiences with drivers'.<sup>703</sup>

#### *Committee comment*

- 8.113** The Committee considers it would be beneficial to require all taxi drivers to undertake disability awareness training. The Committee further believes that it is essential for driver training to be expanded to include training in how to transport passengers with intellectual, as well as physical, disability. The Committee also notes its earlier comments that driver training programs should remind all taxi drivers that it is unlawful to refuse to carry a passenger who is accompanied by an assistance animal.

- 8.114** These measures will equip all taxi drivers with the necessary skills to safely transport people with a range of disabilities, whilst reminding drivers of their legal obligations in transporting

<sup>699</sup> Submission 25, p 9

<sup>700</sup> Submission 43, p 6

<sup>701</sup> Mr Killeen, Evidence, 4 February 2010, p 31

<sup>702</sup> Submission 43, p 6

<sup>703</sup> Submission 64, Ms Melinda Paterson, p 1

people with disability. The Committee further considers it vitally important that people with disability are engaged to both develop and deliver disability awareness training programs to drivers.

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### Recommendation 38

That NSW Transport and Infrastructure require all taxi drivers to undertake disability awareness training, including training in assisting people with intellectual disability, vision impairment, and people using guide dogs and assistance dogs, as a compulsory component of the driver-training program.

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### Recommendation 39

That NSW Transport and Infrastructure ensure that people with disability are involved in the development and delivery of disability awareness training programs for taxi drivers.

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### Taxi Driver Incentive Scheme

- 8.115** On 1 December 2007, NSW Transport and Infrastructure implemented a trial of the Taxi Driver Incentive Scheme (TDIS). The trial was ‘funded through an industry-funded levy from taxi operator accreditation fees and is at no cost to passengers or taxpayers’.<sup>704</sup> Whilst the TDIS was initially introduced on a trial basis, NSW Transport and Infrastructure advised that ‘it is intended that the Scheme will continue under its present arrangements’.<sup>705</sup>
- 8.116** NSW Transport and Infrastructure informed the Committee that the aim of the TDIS is to help networks comply with their *Disability Discrimination Act 1992 (Cth)* obligations:
- ... to ensure equivalent response times for wheelchair accessible taxi passengers and to support drivers of WATs in achieving these improvements. WAT drivers are entitled to claim an incentive payment of \$7.70 + GST in addition to the regular fare per WAT trip to help cover the extra time (and, therefore, lost potential revenue) to the driver in assisting passengers at the end of a trip.<sup>706</sup>
- 8.117** The NSW Taxi Council observed that ‘by addressing the previous financial disincentive for taxi drivers to pick up passengers in wheelchairs the scheme has been an important factor in overcoming a significant barrier’.<sup>707</sup>

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<sup>704</sup> Submission 45, NSW Transport and Infrastructure, p 10

<sup>705</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 2

<sup>706</sup> Submission 45, p 10

<sup>707</sup> Submission 42, p 22

**8.118** Mr Wielinga advised that a review of the scheme in 2009, which surveyed both passengers and drivers, showed positive results. The survey:

... found that '87% of WAT drivers and 74% of WAT passengers considered the Scheme had been a success. Similarly, 77% of WAT drivers surveyed believed that the Scheme is effective in encouraging them to pick up more WAT hirings and respond more quickly to WAT bookings.'<sup>708</sup>

**8.119** NSW Transport and Infrastructure acknowledged that it was not possible to credit improvements in WAT services solely to the introduction of the TDIS, and that other initiatives, such as the growth in the WAT fleet, may have played a role.<sup>709</sup>

**8.120** Mr Herd also noted that several other initiatives may have contributed to the improvements in WAT services, including:

- a more rigorous enforcement regime
- presence of Lime Taxis has increased the number of WATs available and may have stimulated competition
- broader choice of vehicles available that can be converted to WATs.<sup>710</sup>

**8.121** Nonetheless, the Disability Council of NSW noted that following the introduction of the TDIS 'average response times have improved and we accept/believe that the fare supplement/incentive' has contributed to that improvement'.<sup>711</sup> The Disability Council of NSW continued to say that it 'would be remiss of Council not to note an unresolved tension between the policy of providing an incentive to drivers and the duty to not unlawfully discriminate under the DDA':

It is not immediately clear to us why operators (in this case, drivers) should receive a financial incentive or fare supplement to do that which they and/or licenced operators are legally required to do ... The intention of the 'incentive' was originally to reward or encourage 'on time' performance. It now seems clear that the \$8.47 is levied on every TTSS trip by a wheelchair user regardless of performance ...<sup>712</sup>

**8.122** Mr Killeen also noted that the TDIS was no longer serving as an incentive to undertake WAT work, but was instead acting as a pick-up fee:

It is paid regardless of whether it is a street hail or private job, a rent job or whether they respond in time ... it is paid regardless of whether it is a booking, whether they are half an hour or an hour late. If they pick up a passenger and they give them the subsidy docket, they get the incentive payment. That is not an incentive; that is a pick-up fee.<sup>713</sup>

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<sup>708</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 2

<sup>709</sup> Submission 45, p 10

<sup>710</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Herd, p 1

<sup>711</sup> Submission 43, p 5

<sup>712</sup> Submission 43, p 5

<sup>713</sup> Mr Killeen, Evidence, 4 February 2010, p 34

**8.123** Some Inquiry participants advocated for an increase in the payment to encourage drivers to undertake more WAT work. Ms Jenny Roberts, General Manager, Lime Taxis explained that before the TDIS commenced, Lime Taxis were providing their WAT drivers with an additional \$20 per job: ‘our wheelchair work was like 1,500 jobs a week and had increased because the drivers were getting that extra money from that incentive that we were paying. But naturally you cannot sustain that for too long when drivers are doing 1,500 jobs a week’.<sup>714</sup>

**8.124** Ms Joanna Shulman, Principal Solicitor and Director, NSW Disability Discrimination Legal Centre, suggested that response times may continue to improve if the value of the TDIS was increased. Ms Shulman cited the example of the ACT experience following an increase in their incentive:

... the ACT has increased its lifting fees and as a result satisfaction with response times has increased from 28 per cent to 57 per cent in accordance with that increase. We would say that a similar increase in our lifting fee in New South Wales - which is currently, I think, \$8.47 - to \$10 would hopefully make a difference, as it did in the ACT, all other things being equal.<sup>715</sup>

**8.125** Table 8.1 compares the incentive payments offered to taxi drivers in each State and Territory.

**Table 8.1 Taxi Driver Incentive Payment/ Lift Fee**<sup>716</sup>

Area	Taxi Driver Incentive Payment/ Lift Fee
NSW	\$8.47
Queensland	Nil
South Australia	\$5.00 – when a passenger is picked up within 30 minutes
ACT	\$10.00
Victoria	\$14.20
Western Australia	\$10.00 – when booked through a taxi dispatch service \$7.00 – when booked through a private arrangement
Tasmania	\$10.00 - \$16.00 – depending on the pick-up locations

*Committee comment*

**8.126** The Committee acknowledges the improvements in services for WAT customers following the introduction of the TDIS. The Committee also notes that this Scheme is one of a suite of measures introduced by NSW Transport and Infrastructure to improve WAT response times.

**8.127** The Committee recognises the incongruity of providing taxi drivers with an incentive to undertake WAT work, even though it is unlawful for taxi drivers to discriminate against passengers on the basis of disability. Nevertheless, the Committee believes that the benefits achieved through the introduction of the TDIS support the continuation of the scheme.

<sup>714</sup> Ms Jenny Roberts, General Manager, Lime Taxis, Evidence, 2 February 2010, p 50

<sup>715</sup> Ms Shulman, Evidence, 2 February 2010, p 43

<sup>716</sup> Answers to questions on notice taken during evidence 3 February 2010, Ms Joanna Shulman, Director and Principal Solicitor, Disability Discrimination Legal Centre, pp 1-2

- 8.128** In addition, the Committee believes that the Premier should request the Independent Pricing and Regulatory Tribunal to consider the value of the subsidy provided by the TDIS as part of its annual review of taxi fares.

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**Recommendation 40**

That the Premier request the Independent Pricing and Regulatory Tribunal to consider the value of the subsidy provided by the Taxi Driver Incentive Scheme as part of its annual review of taxi fares.

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## Chapter 9 Transparency and accountability

This chapter examines terms of reference (h) and (i) in the context of one of the central themes of this Inquiry: the need for greater transparency and accountability with regard to a number of factors impacting on the NSW taxi industry. The Chapter considers the need for a public register of licence holders and the availability of reports and reviews into the industry these issues. The Chapter also examines term of reference (a) by discussing the appropriateness of the shared regulatory roles of the government and the taxi networks and the impact of this framework on commuters. The Chapter then examines the key performance indicators that are used to monitor the performance of the taxi industry. The Chapter reflects on the need to re-establish a taxi advisory committee, and finally discusses the appointment of former Ministers and public officials to positions within the industry.

### Public register of licence owners

**9.1** Several Inquiry participants highlighted their concerns over the lack of transparency with respect to the ownership of taxi licences. Mr Peer Lindholt, editor of *OzCabbie* magazine, described the situation:

There is a public registry of property and land title ownership going back 200 years. No such transparency exists when it comes to taxi plates and despite demands for one over the past 30 years, successive governments in every state have declined to establish one.<sup>717</sup>

**9.2** Mr Christopher Brown, Managing Director, Tourism and Transport Forum explained the frustration of the Tourism and Transport Forum in trying to ascertain the ownership of taxi licences in NSW:

Our attempts to determine ownership have been similarly stymied ... It beggars belief as to what would possibly be the privacy arguments about who owns taxis in a licensing system. We know who owns the TV spectrum. The Government issues the licences ... We know who owns the radio spectrum and we know who owns other government licences ... It is beyond belief as to why that information would not be available to the general public ...<sup>718</sup>

**9.3** Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney said that '[s]ome people have had the plates for a very long time. I do not see why it is not in the public interest that we do not know who owns the plates'.<sup>719</sup>

**9.4** This lack of transparency has generated significant concern in the community. The Australian Taxi Drivers Association outlined the effect that a lack of transparency has had on community perceptions of the taxi industry: 'a degree of accountability would have probably been best

<sup>717</sup> Submission 49, Mr Peer Lindholt, p 7

<sup>718</sup> Mr Christopher Brown, Managing Director, Tourism and Transport Forum, Evidence, 4 February 2010, p 4

<sup>719</sup> Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, Evidence, 3 February 2010, p 47

served by an open register of taxi plate licences, such that the innuendoes of inappropriate benevolence in granting plate licences would not have arisen'.<sup>720</sup>

9.5 The Australian Taxi Drivers Association continued to say that '[f]or the future there is still the opportunity to make public the ownership of newly issued plates'.<sup>721</sup>

9.6 NSW Transport and Infrastructure indicated that it is aware of the concern surrounding the lack of publicly available information on current licence owners. However, Mr Les Wielinga, Director General, NSW Transport and Infrastructure explained that while the Department was examining the issue of establishing a publicly available register of current licence owners, there were a number of privacy and commercial considerations that needed to be overcome before such a register could be created:

The situation was, going back to some licence holders of 40 years, they were not aware at the time their names would be published. It is an issue we are looking at. We need to talk to those individuals. There are Privacy Act issues and commercial issues to deal with. I realise the importance of it.<sup>722</sup>

9.7 However, Mr Wielinga indicated that it was the intention of the Department to make publicly available the names of those bidders who were successful in future tender processes, beginning with the tender issued in March 2010, advising the Committee that 'when we invited tenders for those we advised them we would be publishing the names of people who obtained the licences for those hundred'.<sup>723</sup>

#### *Committee comment*

9.8 The Committee acknowledges the privacy and commercial issues that need to be addressed before a publicly available register of taxi licence owners can be established. The Committee also acknowledges the commitment by NSW Transport and Infrastructure to ensure that the names of successful bidders in all future tender processes are made publicly available.

9.9 The Committee believes that it is in the public interest that information about who owns all taxi licences in NSW is available to the community. A publicly available register will enhance transparency and facilitate understanding of the dynamics of the taxi industry. The Committee urges NSW Transport and Infrastructure to establish a publicly available register of taxi licence owners by July 2011.

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#### **Recommendation 41**

That NSW Transport and Infrastructure establish a publicly available register of taxi licence owners by July 2011.

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<sup>720</sup> Submission 32, Australian Taxi Drivers Association, p 11

<sup>721</sup> Submission 32, p 11

<sup>722</sup> Mr Les Wielinga, Director General, NSW Transport and Infrastructure, Evidence, 2 February 2010, p 22

<sup>723</sup> Mr Wielinga, Evidence, 2 February 2010, p 22

## Availability of reports and reviews

- 9.10** As outlined in Chapter 2, the Government has commissioned a number of reports and reviews to examine issues relating to the NSW taxi industry. There have been several instances where these reports have not been made publicly available, or there have been delays in their release, which has contributed to a perceived lack of transparency.
- 9.11** In addition, Inquiry participants such as the Tourism and Transport Forum noted that where reports have been made public, ‘government responses to the recommendations of a number of inquiries of the NSW taxi industry have been inadequate’.<sup>724</sup>
- 9.12** The NSW Ombudsman was critical of the lack of action that has emanated from the reports into the taxi industry:
- ... in the course of our inquiries we have become aware of the considerable number of often extensive reviews into various aspects of the taxi industry, including wheelchair accessible taxis. Some have recommended significant change but from what we have seen, little or no concerted action has been taken as a consequence ... the consistent lack of action on reports commissioned by the Minister or the government agency with responsibility for taxis at that time is not only a waste of public resources but also represents missed opportunities over a number of years to address problems and bring about improvements.<sup>725</sup>
- 9.13** Mr Ian Faulks observed that ‘more than half of the reports of reviews conducted over the past decade alone were not made public’.<sup>726</sup> Additionally, Mr Faulks was concerned that ‘[t]he response of the NSW Government to the findings and recommendations of these reviews has been lackluster and noncommittal to say the least’.<sup>727</sup>
- 9.14** The NSW Taxi Drivers Association also commented that many of the recommendations made by previous inquiries into the taxi industry had been allowed to ‘languish’.<sup>728</sup>
- 9.15** Mr Ted Hirsch, taxi driver, indicated that taxi drivers were frustrated by the lack of action in regard to the recommendations that have been made: ‘To the concern of many taxidrivers the responses of Governments to past reports as well as recommendations on many issues and from other quarters have often been non-existent despite the considerable resources expended on them’.<sup>729</sup>

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<sup>724</sup> Submission 56, Tourism and Transport Forum, p 7

<sup>725</sup> Submission 3, NSW Ombudsman, p 2

<sup>726</sup> Submission 53, Mr Ian Faulks, p 2

<sup>727</sup> Submission 53, p 2

<sup>728</sup> Submission 46, NSW Taxi Drivers Association, p 8

<sup>729</sup> Submission 54, Mr Ted Hirsch, p 6

- 9.16** The NSW Taxi Council suggested that some of the reports may not have resulted in wide-reaching changes to the taxi industry because the reports had failed to identify any systemic issues:

The NSW Taxi Council's experience has been that such inquiries have been established in response to perceived problems that have later been difficult to substantiate. Closer examination of relevant issues has generally led to conclusions that involve little intervention beyond the steps the industry is already pursuing ... Previous inquiries into the industry have generally served to confirm the industry's course, or make recommendations regarding incremental changes rather than widespread wholesale change.<sup>730</sup>

- 9.17** NSW Transport and Infrastructure explained why some reports had not been released to the public:

The NSW Government, as far as practicable, has been open and transparent in the release of reports ... In some cases, reports were prepared specifically for internal purpose and Cabinet decision-making processes ... The timing of the release of such reports can be sensitive ... The NSW Government will continue to release reports of reviews it has commissioned at the time that the Government considers publication to be appropriate and in the public interest.<sup>731</sup>

- 9.18** Dr Abelson posited that the decision to not release reports was not unusual, but was instead a trend that occurred across a number of different agencies:

It appears that protection of information takes precedence over publication. For example the MOT has published very few of the many reports it has commissioned on railways and metros in the last few years. However, the failure to publish working papers or consultant reports appears to be a systemic issue within the government. The MOT is not the only government agency that guards information carefully.<sup>732</sup>

### *Committee comment*

- 9.19** The Committee acknowledges that successive governments have elected not to release reports and reviews for a number of reasons. However, it is concerning that there have been delays in making so many of the reviews and reports commissioned to examine issues relating to the NSW taxi industry publicly available. The Committee notes that a number of reports were made available on the NSW Transport and Infrastructure website in February 2010, coinciding with the Committee's public hearings.

- 9.20** Additionally, the poor rate of implementation of recommendations made by the publicly available reviews raises concerns about the effective use of public resources and the desire and commitment to effect positive change in the taxi industry.

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<sup>730</sup> Submission 42, NSW Taxi Council, p 23

<sup>731</sup> Submission 45, NSW Transport and Infrastructure, p 11

<sup>732</sup> Submission 30, Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, p 4

- 9.21** The Committee believes that, where possible, NSW Transport and Infrastructure should make publicly available all of the reports and reviews that have been conducted into the NSW taxi industry. A higher degree of transparency will improve public confidence in the reform process, and allow for greater accountability in the implementation of recommendations.

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### **Recommendation 42**

That the Minister for Transport, through NSW Transport and Infrastructure, publish all of the reports and reviews that have been conducted into the NSW taxi industry.

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## **Regulatory oversight by NSW Transport and Infrastructure**

- 9.22** Oversight of the NSW taxi industry is achieved through a co-regulatory approach, meaning that NSW Transport and Infrastructure and the taxi networks share responsibility for the implementation of the regulatory framework. In NSW, this involves the networks assuming responsibility for ensuring that service standards are met.

- 9.23** NSW Transport and Infrastructure explained that a co-regulatory approach between a government department and industry bodies is not uncommon:

In other Australian jurisdictions - as in most jurisdictions around the world - the regulatory framework exists to ensure that the different segments of the taxi industry meet the minimum requirements deemed to be necessary and in the public interest. Many jurisdictions also employ a co-regulatory approach, which involves those centralised entities responsible for taking bookings from passengers and dispatching jobs to affiliated operators/drivers, playing a key role in ensuring that prescribed service standards are met.<sup>733</sup>

- 9.24** The NSW Taxi Council was supportive of the co-regulatory approach, highlighting that whilst NSW Transport and Infrastructure is 'ultimately responsible' for the regulatory framework and its application, taxi networks play a 'vital' role:

The Act and the associated regulations define the importance of the role that authorised taxi networks must play in terms of compliance and enforcement for the rest of the industry. Authorised taxi networks are a vital component in the compliance and enforcement process for the taxi industry because only authorised networks have the ability to monitor who is driving each taxi-cab on a shift-by-shift basis.<sup>734</sup>

- 9.25** The NSW Taxi Council described the benefits to government of a co-regulatory approach:

If compliance monitoring and policing were left to the government then the cost to government would be increased many times over. It is also highly likely that if first-line regulation were external to, rather than integrated within the taxi industry, the effectiveness of regulatory enforcement would be severely compromised ... It is thus vitally important that NSW Transport & Infrastructure can work closely with the

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<sup>733</sup> Submission 45, p 2

<sup>734</sup> Submission 42, p 24

industry at the network level. This provides the most efficient and effective means of controlling the industry.<sup>735</sup>

**9.26** However, the NSW Taxi Council acknowledged that the co-regulatory approach requires networks to balance their business interests with their regulatory role: ‘for such a model to work does require certain conditions to allow networks to act as enforcement agents without compromising their own commercial viability’.<sup>736</sup>

**9.27** Throughout the Inquiry, concerns were raised about the appropriateness of NSW Transport and Infrastructure sharing its regulatory role with the taxi networks. Several Inquiry participants felt that the co-regulatory approach compromised the accountability and enforcement of the regulatory framework, given the networks’ dual role. Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney said ‘the government has out-sourced management of the industry and responsibility for it to the taxi radio networks. The networks are both a major industry player and the industry monitor’.<sup>737</sup>

**9.28** Dr Abelson suggested that networks have ‘gained various privileges’ through this approach:

In return for the obligation to monitor, which the networks have taken on, the networks have accumulated various privileges in order to exercise these controls. The ministry I am sure acted in good faith that this was the best way to regulate public safety - what they call co-regulation, but which I think is largely outsourced regulation.<sup>738</sup>

**9.29** The Tourism and Transport Forum also believed that a co-regulatory approach compromised the taxi industry:

... regulation and enforcement should be the role of the government and not undertaken by network operators. Results from consecutive TTF surveys on taxi service standards suggest that the deference of regulatory responsibilities such as driver training to taxi networks has failed customers in NSW. It is inappropriate for a market participant to have a central role in the regulation of the industry ...<sup>739</sup>

**9.30** Dr Abelson described the co-regulatory approach as a ‘poor and unnecessary model’, and explained some of the potential outcomes of the approach:

To give the networks the responsibility for monitoring the regulations creates government obligations to the network and potential conflicts of interest within the industry. This is a very poor and unnecessary governance model ... given that the MOT has out-sourced the monitoring of the regulations to the networks, the Ministry

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<sup>735</sup> Submission 42, p 32

<sup>736</sup> Submission 42, p 32

<sup>737</sup> Submission 30 - Appendix A, Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, *Economic Evaluation of Taxi Industry Reform in Sydney*, January 2010, p 9

<sup>738</sup> Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, Evidence, 3 February 2010, p 43

<sup>739</sup> Submission 56, p 4

cannot be held directly accountable. But it is not clear to what extent the networks are accountable<sup>740</sup>

- 9.31** It was further noted by Mr Christopher Brown, Managing Director, Tourism and Transport Forum, that the co-regulatory framework has created a damaging perception of the relationship between NSW Transport and Infrastructure and the networks:

There is too much perception that for 25 years of successive governments that there has been 25 years of a very close relationship with the cab industry - too close a relationship with the cab industry and its regulator. Gamekeeper and poacher should not be as close as they traditionally have been for many years under successive governments in this State. It is simply not healthy.<sup>741</sup>

- 9.32** An example of this perception was provided by Mr Faulks, who observed that the failure to appropriately regulate the taxi industry seems to have resulted in poor services for consumers:

It is clear that, on any objective analysis, the provision of taxi services in metropolitan Sydney has been inadequate for many decades and has been subject to mismanagement by the government regulator. The failure to challenge vested commercial interests that dominate the taxi industry in Sydney has led to inadequate government reporting standards and regulation of the industry and what can only be judged to be very poor provision of quality taxi services for commuters, including for people using wheelchairs.<sup>742</sup>

- 9.33** The Tourism and Transport Forum supported greater separation between the government and the networks, suggesting that ‘the government should install an independent regulatory authority to ensure that customer service requirements in NSW are more adequately met’.<sup>743</sup> An independent regulator would also alleviate the perceptions of a lack of transparency and accountability in the implementation of industry regulations.

- 9.34** Dr Abelson concurred that an independent regulator would be a positive development, and suggested that an independent regulator could be ‘financed by annual registration fees. For example in Sydney a levy of \$1000 on 5000 taxis would provide \$5 million a year to fund an independent regulator’.<sup>744</sup>

### **Other areas of concern**

- 9.35** The NSW Ombudsman noted two other areas of concern in regard to the regulatory oversight role exercised by NSW Transport and Infrastructure. The first area of concern related to poor administrative practices:

A common theme in a number of the matters we have looked at has been poor administrative practices, in particular poor record keeping, by the various government

<sup>740</sup> Submission 30, p 2 and p 4

<sup>741</sup> Mr Brown, Evidence, 3 February 2010, p 3

<sup>742</sup> Submission 53, p 1

<sup>743</sup> Submission 56, p 4

<sup>744</sup> Submission 30, p 2

agencies which have had responsibility for the taxi industry over the years. The documents associated with licences and licence conditions are particularly important and it is crucial that stringent measures are in place to ensure their safekeeping. In addition, the history of a licence, including records of complaints and other problems, should be documented to ensure a complete history is available should enforcement action need to be considered.

There have been a number of seemingly piecemeal changes made to licences over the years, with apparently little thought being given to how the new licences will interact with existing ones and how documentation about changing systems will be preserved to safeguard the historic records while capturing up to date information.<sup>745</sup>

**9.36** The Department's poor record keeping practices was also noted by Deloitte Touche Tohmatsu in their report on the administration of the Nexus Scheme. The report noted that '[a] recurring theme throughout this Report is the absence of adequate documentation available to support actions taken with respect to the administration'.<sup>746</sup>

**9.37** NSW Transport and Infrastructure advised that it had implemented a number of actions to address the concerns raised in the Deloitte review, including:

- strengthening record keeping arrangements
- actively enforcing licence conditions
- implementing a clear statutory framework for the ongoing operation of the Nexus licences.<sup>747</sup>

**9.38** The second area of concern noted by the NSW Ombudsman related to delays in implementing or enforcing regulations:

Currently, it seems that the regulator can be overly keen to negotiate, for what can become a protracted period, about fundamental issues such as the introduction of standards for the taxi industry, rather than insisting on implementation of what is a key element of an accountability framework. We have observed the same tendency in relation to the enforcement of taxi licence conditions.<sup>748</sup>

### *Committee comment*

**9.39** While the Committee acknowledges that there may be resource related benefits of a co-regulatory approach, these need to be weighed against the benefits to the consumer and the industry as a whole. The Committee is concerned that networks may be compromised in their dual role as regulator and service provider, and that taxi users in NSW may suffer as a consequence.

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<sup>745</sup> Submission 3, p 2

<sup>746</sup> Deloitte Touche Tohmatsu, *Administration of the Nexus Scheme*, Final Report, February 2007, s 1.3

<sup>747</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Les Wielinga, Director General, NSW Transport and Infrastructure, p 10

<sup>748</sup> Submission 3, p 2

- 9.40** The Committee is recommending that NSW Transport and Infrastructure investigate the feasibility of establishing an independent regulator to monitor administration and enforcement of the regulatory framework in NSW. This should include the identification of a possible funding model, and examination of the impact on the stability of the taxi industry.

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### Recommendation 43

That the Minister for Transport investigate the feasibility of establishing an independent regulator to monitor administration and enforcement of the regulatory framework in NSW.

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### Performance standards

- 9.41** The current Key Performance Indicators (KPIs) used to measure the performance of the NSW taxi industry came into effect on 1 July 2008. NSW Transport and Infrastructure summarised the broad performance measurement framework, advising that the KPIs:

... measure the performance of taxi networks operating within the Sydney Metropolitan, Newcastle and Wollongong Transport Districts and the Local Government Areas of Gosford and Wyong. Taxi networks provide monthly performance reports to NSWTI against 13 Key Performance Indicators for standard taxis and 11 for wheelchair accessible taxis ... The indicators establish delivery standards such as the number of cars available, response times, reliability for booked services and the number of abandoned calls.<sup>749</sup>

- 9.42** The NSW Taxi Council explained that under the *Passenger Transport Act 1990*, the Director General determines ‘service standards that must be met by authorised networks and standards that networks must ensure taxicab operators and taxi-cab drivers also comply with. The Act also stipulates that the standards can require networks to furnish reports to the Director General on a regular basis or in specified circumstances’.<sup>750</sup>
- 9.43** NSW Transport and Infrastructure reports on the ‘consolidated taxi industry performance on a quarterly basis’, via the Department’s website.<sup>751</sup> NSW Transport and Infrastructure stated that, based on the current KPIs, ‘there has been encouraging improvement in all services, especially for WATs [wheelchair accessible taxis]’.<sup>752</sup>
- 9.44** There are 30 KPIs applying to standard taxis, and 22 KPIs applying to wheelchair accessible taxis. These are reproduced in Appendix 9.

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<sup>749</sup> Submission 45, pp 2-3

<sup>750</sup> Submission 42, p 8

<sup>751</sup> Submission 45, p 4

<sup>752</sup> Submission 45, p 3

- 9.45** The NSW Taxi Council advised that not only is NSW one of the few states to use KPIs to ‘monitor taxi industry performance as a whole’<sup>753</sup> but that NSW’s ‘service delivery standards for networks tend to be higher than other States’:

It is very difficult to get comparable information for other States because, unlike New South Wales, most other States, and indeed other cities around the world, do not report or publish the information so it is quite difficult. From what we know from our interstate counterparts other States tend to be moving in the direction that New South Wales already has. In that respect we think we are, in fact, leading the way in many aspects of taxi services and that is reflected in the performance and service standards from the industry.<sup>754</sup>

- 9.46** Mr Wielinga noted the importance of performance indicators, observing that ‘performance indicators are the key ingredients to get the industry performing adequately’.<sup>755</sup> Mr Michael Hatrick, a taxi driver in Sydney, concurred that ‘the more that is revealed about the success or otherwise of people calling for taxis the better’.<sup>756</sup>

#### **Issues with the current performance standards**

- 9.47** Despite the fact that performance data is publicly available on the NSW Transport and Infrastructure website, a number of Inquiry participants identified some limitations with the current reporting standards.
- 9.48** Ms Alison Peters, Director, Council of Social Services of NSW (NCOSS) noted that ‘an important foundation for being able to implement plans it is to have clear, concise, publicly available information about the standards and about the progress’.<sup>757</sup> Ms Peters commented on the usefulness of the data that is produced from the KPIs:

... some of the existing key performance indicators ... are quite useful. The problem is it is sometimes a little difficult to understand the data that is then produced. We give an example from the website where a table is produced that makes reference to question 1, 2, 3 and 4, yet you cannot find on the website what those questions are. The table looks pretty but it is pretty meaningless for anyone who is looking at it. So, some clarity about what is being measured would be useful.<sup>758</sup>

- 9.49** NCOSS identified several further issues with the current information provided in regard to the KPIs:
- the data is aggregated
  - the data may not include information on all areas

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<sup>753</sup> Submission 42, pp 8-9

<sup>754</sup> Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, Evidence, 2 February 2010, p 12

<sup>755</sup> Mr Wielinga, Evidence, 2 February 2010, p 15

<sup>756</sup> Mr Michael Hatrick, Taxi driver, Evidence, 3 February 2010, p 39

<sup>757</sup> Ms Alison Peters, Director, Council of Social Services of NSW, Evidence, 3 February 2010, p 12

<sup>758</sup> Ms Peters, Evidence, 3 February 2010, p 16

- no data is provided on rank and hail taxis
- there is no publicly available data on customer satisfaction.<sup>759</sup>

**9.50** As discussed in Chapter 5, Inquiry participants discussed variations in demand and supply at different times of day and across different geographic areas. Disaggregation of the KPIs, on the basis of time of day, geographic area and network, would provide a more comprehensive picture of the taxi industry, which would in turn assist to better understand these variations, and develop solutions to shortages of taxis.

**9.51** The Australian Taxi Drivers Association commented that the KPIs only reflect booked services, not rank and hail services, and that this reduces their reliability and usefulness:

Reliance on reported data for validation of the quality of customer services is further and substantially flawed by the fact that data is, at best, from a relatively small part of total services. All of this refers to network booked services ... And overall, bookings are no more than one in six of all trips, hail or rank hiring's.<sup>760</sup>

**9.52** Dr Abelson noted that 'government reporting on industry standards relies on taxi radio network reports of (i) waiting times for taxi passengers who book a taxi with a network by telephone and (ii) complaints'.<sup>761</sup> Dr Abelson discussed a number of limitations of the current measures:

These are partial and incomplete measures of service quality. In addition, neither of these measures is a reliable indicator of performance. The reported waiting times make no allowance for people, possibly as many as one in five based on IPART statistics, who book taxis and who are not picked up. It is not clear how the reported statistics deal with off-loads or with customer phone calls that go dead because no one answers. The measured times also fail to take any account of the many people who would like to book a taxi but do not do so because they cannot rely on a taxi turning up on time. Likewise, many people do not register a complaint to the networks as this is perceived to be a waste of time ...<sup>762</sup>

**9.53** Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council said that the practice of networks offloading bookings to other networks also made it difficult to accurately record pick-up times in some instances:

You can only measure something that has happened ... Networks will offload bookings to other networks when they know that the other network is in a better position to provide a taxi more quickly. That figure is not available to the originating network; it does not have access to the dispatch system of the second network when a booking has been offloaded. The pick-up time of that booking cannot be measured. When no data is available it does not make sense to use that as a base, or to include those bookings as part of the base against which you are measuring your pick-up times.<sup>763</sup>

<sup>759</sup> Submission 25, Council of Social Services of NSW, pp 7-8

<sup>760</sup> Submission 32, p 5

<sup>761</sup> Submission 30, p 1

<sup>762</sup> Submission 30, p 1

<sup>763</sup> Mr Ramshaw, Evidence, 2 February 2010, p 8

### Performance standards for regional and rural NSW

- 9.54** Some Inquiry participants noted that whilst performance standards had been enacted for the Sydney metropolitan area, no comparable standards existed for rural and regional areas. For example, NCOSS observed that it was ‘concerned that there are still no finalised Network Standards for taxis operating in country areas. Interim Standards were introduced in 1993 and still remain as interim standards 17 years later’.<sup>764</sup>
- 9.55** NSW Transport and Infrastructure indicated that ‘[t]he 47 networks outside Sydney, Wollongong and Newcastle are operating under the 1993 standards for country areas which do not require the supply of network performance data to NSWTP’.<sup>765</sup>
- 9.56** The interim standards do require country networks to maintain six monthly reports on performance, which must be provided to NSW Transport and Infrastructure within 24 hours of any request being made.<sup>766</sup>
- 9.57** Ms Samantha Edmonds, Deputy Director, Policy and Communications, NCOSS commented that the lack of regional performance standards made it ‘hard to compare standards in country and regional areas’.<sup>767</sup>
- 9.58** Mr Reginald Cockburn, owner-operator, Newcastle Taxis believed that regional performance standards would enable those involved in the regional taxi industry to assess and improve their service delivery:

When I received an invitation to put a submission in to this select Committee, I started to make inquiries of what data was available and what was done with that ... I would have to say there is no data put out to owner-operators about how effective we have been. The data that I supplied, I went and sourced ... I think it is reasonable to think that we could get data out there and have a look at what we are doing.<sup>768</sup>

- 9.59** Mr Lawrence Stewart, Director, Southern Highlands Taxi Service, in response to a question about whether he believed that network standards for rural areas would be beneficial, replied that he thought they would:

I cannot see any problem with it not being that way. Mind you, I think there is also good argument that, without them, if you do not provide the right sort of standard, you are certainly going to have customers complaining, and the complaining is really the ultimate judging, I suppose, of performance standards. It is interesting that in our area we have spoilt our customers over the years and if they have to wait more than 10 minutes from the time they telephone they get annoyed. I know in Sydney it can be a lot longer, and we find that. People who come down from Sydney and stay in a hotel or motel will ring for a taxi and when we arrive they say, “You shouldn’t be here - it

<sup>764</sup> Submission 25, p 8

<sup>765</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 1

<sup>766</sup> NSW Department of Transport, *Interim Standards for Authorised Taxi-Cab Networks for Networks in Country Areas*, February 1993

<sup>767</sup> Ms Samantha Edmonds, Deputy Director, Policy and Communications, Council of Social Services of NSW, Evidence, 3 February 2010, p 18

<sup>768</sup> Mr Reginald Cockburn, Owner-operator, Newcastle Taxis, Evidence, 4 February 2010, p 25

normally takes half an hour or an hour.” It is a different situation. I think you will find right across country New South Wales the service provision is of a very high standard.<sup>769</sup>

- 9.60** Mr Stewart added that even though regional operators are not currently required to report any KPIs to NSW Transport and Infrastructure unless so requested, it would not be difficult to do: ‘We have it all there. We are very computer oriented today ... At the touch of a button, that can print out every report that may be required’.<sup>770</sup>

### **Independent customer satisfaction survey**

- 9.61** As a further measure of performance, it was suggested that an independent customer satisfaction survey would allow the NSW taxi industry to identify and address areas of public concern. For example, Dr Abelson told the Committee that ‘[t]he appropriate way to determine public satisfaction or concerns about the taxi industry is by conducting an independent random survey of NSW households’.<sup>771</sup>

- 9.62** Ms Peters observed that existing KPIs for the NSW taxi industry do not capture a complete picture of customer satisfaction:

... we should look at other features of customer satisfaction in the same way that other modes of public transport are measured against, such as cleanliness. So, it is not just how long you might wait for a taxi, it is matters about cleanliness, the knowledge of the driver so you get into a cab and do not have to explain exactly where you have to go. Things of that nature, I think, could be incorporated into performance indicators ...<sup>772</sup>

- 9.63** In addition to generating a more comprehensive measure of customer satisfaction, Dr Abelson explained that an independent customer survey would allow a deeper understanding of customer demand for taxi services to develop:

Anecdotally I understand that there are quite poor taxi services in outer suburban areas and that community transport has a tremendous difficulty filling the gaps that the buses do not fill ... I think it would be useful to have a survey which told us what the nature of the problem is; why there are not adequate taxi services.<sup>773</sup>

- 9.64** Dr Abelson acknowledged the challenges in developing an appropriate survey to address the ‘critical concerns’ of consumers:<sup>774</sup>

Obviously we cannot ask people unlimited things ... these have to be sensible questions about what you are willing to pay and how often you want to use the service. It does have to be related to some form of budget constraints. Of course, in

<sup>769</sup> Mr Lawrence Stewart, Director, Southern Highlands Taxi Service, Evidence, 4 February 2010, p 54

<sup>770</sup> Mr Stewart, Evidence, 4 February 2010, p 56

<sup>771</sup> Submission 30, p 1

<sup>772</sup> Ms Peters, Evidence, 3 February 2010, p 16

<sup>773</sup> Dr Abelson, Evidence, 3 February 2010, p 48

<sup>774</sup> Dr Abelson, Evidence, 3 February 2010, p 49

an important case like getting to hospitals and so on, it needs to be asked what has been your experience when you really needed an acute service and so forth. It would be a complicated one; it would take a couple of months to design a decent survey. But I really think that would be a good starting point to understand what public transport is really required.<sup>775</sup>

**9.65** Ms Peters commented that such a survey would need to be repeated in order to assess the progress of the industry in better meeting customer demand and expectations, telling the Committee that ‘you cannot do it just once; you have to do it on an ongoing basis so that you can address areas where there are problems and establish whether or not progress is being made in that regard’.<sup>776</sup>

**9.66** Ms Peters also argued that the results of any independent customer satisfaction survey must be made publicly available, and that this must include the name of the taxi operator, and the steps that the taxi operator is taking to address any concerns raised in the survey.<sup>777</sup>

### **Review of the current performance standards**

**9.67** NSW Transport and Infrastructure advised that the KPIs are currently being reviewed to determine ‘how transparency, accountability and public reporting of this performance data can be improved’:

... the NSW Government recognises, despite some improvements, there is room for further progress. Therefore, NSWTI is reviewing the network standards to ensure the most relevant, up-to-date performance measures are captured, which reflect the issues most important to passengers, and that the level of service performance required is set to encourage continuous improvement.<sup>778</sup>

**9.68** Mr Wielinga commented that NSW Transport and Infrastructure was examining ways to measure customer satisfaction, noting that customer satisfaction was difficult to quantify: ‘The measure of customer satisfaction is a bit of a challenge. The things that we are exploring at the moment are things like mystery shoppers - stuff that we can do to get a genuine feeling for how customers feel about the networks’.<sup>779</sup>

**9.69** Mr Wielinga also identified the areas in which he hoped to improve reporting:

The composition of those performance indicators is important. We need effective performance indicators that particularly measure customer satisfaction around these networks. We have indicators that we are continuing to develop around reliability and response times for taxis at the moment. We expect that to get better over time. We are

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<sup>775</sup> Dr Abelson, Evidence, 3 February 2010, p 48

<sup>776</sup> Ms Peters, Evidence, 3 February 2010, p 16

<sup>777</sup> Answers to questions on notice taken during evidence 3 February 2010, Ms Alison Peters, Director, NCOSS, p 3

<sup>778</sup> Submission 45, p 4

<sup>779</sup> Mr Wielinga, Evidence, 2 February 2010, p 15

working with the networks at the moment to start publishing this data in a little more detail on our websites.<sup>780</sup>

**9.70** Mr Wielinga noted the importance of ensuring that the published data is an accurate reflection of the performance of the taxi industry:

Whenever you are collecting data and it is a relatively new process, there are differences of opinion about what it means and what it is telling you. We want those systems to be robust. We want to make sure that the data is independently verified.<sup>781</sup>

**9.71** In particular, Mr Craig Dunn, A/Director, Transport Operations, NSW Transport and Infrastructure indicated that the disaggregation of data ‘is something we are currently working on. We have already commenced discussions with the industry about that particular issue’.<sup>782</sup>

**9.72** Mr Wielinga told the Committee that the intent was to publish ‘individual data against individual taxi networks’.<sup>783</sup> NSW Transport and Infrastructure was unable to advise if the data would be disaggregated further, such as by geographic area or time of day, or provide a timeline of when the disaggregated data will be published.

**9.73** In regard to the development of KPIs for regional and rural areas, NSW Transport and Infrastructure advised that ‘[t]he process of reviewing the metropolitan standards – and any changes flowing from that – will be used to inform the development of new standards for country areas, recognising that there are substantial differences in the markets’.<sup>784</sup> It is anticipated that this review will be completed by the middle of 2010.<sup>785</sup>

### Complaints systems

**9.74** In the event that passengers are dissatisfied with the service they receive, they are able to provide feedback on their experience to the Customer Feedback Management System. The complaints process was described by the NSW Taxi Council:

Customer feedback provides a valuable source of information about the taxi industry's performance in meeting the expectations of the public. A centralised Customer Feedback Management System is administered by NSW T&I for the purposes of monitoring, control and follow-up of feedback provided by customers. Total complaints by customers (including unjustified complaints) have been steadily declining during the last 5 years.<sup>786</sup>

<sup>780</sup> Mr Wielinga, Evidence, 2 February 2010, p 15

<sup>781</sup> Mr Wielinga, Evidence, 31 March 2010, p 44

<sup>782</sup> Mr Craig Dunn, A/Director, Transport Operations, NSW Transport and Infrastructure, Evidence, 2 February 2010, p 17

<sup>783</sup> Mr Wielinga, Evidence, 31 March 2010, p 45

<sup>784</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 2

<sup>785</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 1

<sup>786</sup> Submission 42, p 14

**9.75** The Customer Feedback Management System can also be used if a passenger wishes to provide positive feedback.

**9.76** Mr Ramshaw explained how the feedback systems operates:

There is a centralised single phone number that customers can ring. It does not matter which taxi they have used, which network it is connected to or which town or city the customer is in in New South Wales ... That database then allocates the item to the network the taxi is connected to. The network then has responsibility for investigating the matter, contacting the driver and maintaining the database in terms of information about the follow-up action. That record remains on the database so that in the investigation of any incident that involves a driver the driver's previous history can be considered in deciding on the course of action.<sup>787</sup>

**9.77** If the allegations contained in the complaint are of a particularly serious nature, the details of the complaint will be 'referred to NSW T&I for investigation and action such as imposing fines, suspension of driver authorities or ultimately cancellation'.<sup>788</sup>

**9.78** Two areas of concern were identified with the current feedback system. As noted earlier, 'many potential complainants do not waste their time making a complaint'.<sup>789</sup> This means that the information gathered by the feedback system may not be an accurate reflection of the passenger experience for many users of taxis.

**9.79** Secondly, Mr Brown from the Tourism and Transport Forum suggested that requiring the networks themselves to follow up on complaints may not be the most appropriate mechanism:

I was told today by one driver that when someone rings in and complains to the Department of Transport about a driver, it is referred to the network to follow that through. With all due respect, I do not want that. If I want to complain about my mother, I would go to my father. If my father turned me back to complain to my mother, it is a bit off.<sup>790</sup>

**9.80** The Committee notes that the creation of an independent regulator to monitor and enforce the regulatory framework, as recommended earlier, may also be able to provide an independent complaints management system.

#### *Committee comment*

**9.81** The Committee notes with concern the comments that despite the existence of the Customer Feedback Management System, many passengers chose not to report complaints because they feel it is a waste of time. Passengers must be made aware that customer complaints are one of the key measures of the performance of the NSW taxi industry. However, seeing evidence of change or improvement following complaints would be the greatest encouragement to passengers to use the Customer Feedback Management System.

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<sup>787</sup> Mr Ramshaw, Evidence, 2 February 2010, p 10

<sup>788</sup> Submission 42, p 24

<sup>789</sup> Submission 30 - Appendix A, p 15

<sup>790</sup> Mr Brown, Evidence, 4 February 2010, p 5

- 9.82** The Committee believes that NSW Transport and Infrastructure should undertake a community awareness campaign to encourage more people to provide feedback to the Customer Feedback Management System. The Committee also recommends that a specific unit should be established within the Customer Feedback Management System to deal with and respond to complaints about taxi services for people with accessibility issues. This will allow the industry to better understand the needs of passengers and identify areas where services can be improved.

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**Recommendation 44**

That NSW Transport and Infrastructure undertake a community awareness campaign to encourage more people to provide feedback to the Customer Feedback Management System.

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**Recommendation 45**

That NSW Transport and Infrastructure establish a specific unit within the Customer Feedback Management System to deal with complaints about taxi services for people with accessibility issues.

- 9.83** Performance standards are a critical method of assessing the performance of any industry. It is essential that the key performance standards for the NSW taxi industry accurately capture information that enables improvements in service delivery.
- 9.84** The Committee believes that the review of the performance standards currently being undertaken by NSW Transport and Infrastructure is a positive initiative. This review should result in a greater degree of transparency and accountability in the publicly accessible data.
- 9.85** In particular, the Committee considers that the disaggregation of data is essential and will allow for a greater understanding of the performance of the NSW taxi industry. As a minimum, NSW Transport and Infrastructure should disaggregate performance related data on the basis of network, geographic area and time of day.

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**Recommendation 46**

That NSW Transport and Infrastructure publish disaggregated performance data on the basis of network, geographic area and time of day.

- 9.86** The Committee is concerned that there are no reportable KPIs to assess the performance of rural and regional taxi services, despite interim standards for rural and regional areas being developed in 1993.
- 9.87** The Committee believes that regional and rural taxi networks should be required to report information on performance to NSW Transport and Infrastructure in the same way that metropolitan networks currently report. This will allow for an assessment of regional and rural taxi services, and the identification of areas where services can be improved.

- 9.88** The Committee acknowledges the commitment of NSW Transport and Infrastructure to develop standards for country areas. The Committee believes that key performance indicators for regional and rural taxi networks should be implemented by July 2011.
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**Recommendation 47**

That NSW Transport and Infrastructure finalise and implement key performance indicators for regional and rural taxi networks, to commence in July 2011.

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- 9.89** The Committee notes that there is currently no comprehensive measure of customer satisfaction with the NSW taxi industry. This is a serious gap in the data available to NSW Transport and Infrastructure, and the NSW taxi industry, to identify areas where performance can be improved. In order to better understand customer experience and identify ways to improve that experience, the Committee believes that an annual independent survey of customer satisfaction would be beneficial. The results of this survey should be published on the NSW Transport and Infrastructure website together with information on the KPIs.
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**Recommendation 48**

That NSW Transport and Infrastructure undertake an annual, independent and random survey of customer satisfaction and publish the results of that survey on their website.

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- 9.90** The current performance standards only capture information on booked taxis, not on the rank and hail taxis that are more commonly used by passengers. The Committee believes that in reviewing the KPIs, NSW Transport and Infrastructure should examine ways to measure the performance of rank and hail taxis. This will facilitate a more complete assessment and understanding of the performance of the NSW taxi industry.
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**Recommendation 49**

That NSW Transport and Infrastructure examine ways to measure the performance of rank and hail taxis as part of its assessment of the performance of the entire NSW taxi industry.

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**Taxi advisory committee**

- 9.91** As a means to improve transparency and accountability within the NSW taxi industry, it was suggested by Inquiry participants that a taxi advisory committee should be reinstated to enable a wide variety of industry stakeholders to collaborate to develop solutions to problems within the industry.
- 9.92** The original Taxi Advisory Committee was established in 1998. The Committee provided advice to the Minister for Transport 'on improvements in quality, reliability and safety that might be made in respect of taxi services'.<sup>791</sup> The membership of the Committee included
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<sup>791</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 8

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representatives from the NSW Taxi Council, Police Service, Tourism NSW, the Roads and Traffic Authority, the Transport Workers Union, Public Transport Advisory Council, the Disability Council of NSW, NSW Transport and Distribution Advisory Training Board Ltd, and a country taxi operator.<sup>792</sup>

**9.93** The membership of the Committee was reduced in 2003 as some members had ceased to attend meetings, and no meetings have been held since 2004.<sup>793</sup>

**9.94** The NSW Taxi Drivers Association advocated for the reestablishment of an advisory committee, stating that '[t]he best thing and the biggest thing that the taxi enquiry can do is to recommend that the government implement and reactivate the Taxi Advisory Committee with all stakeholders present'.<sup>794</sup>

**9.95** Mr Trevor Bradley, Treasurer and Committee Member, NSW Taxi Drivers Association felt that a taxi advisory committee would provide the best forum to address 'the ongoing issues in the industry':<sup>795</sup>

... these sorts of problems are really difficult. It is virtually impossible to resolve them at a parliamentary level. It has to be first sorted out with the stakeholders in the industry. The vehicle for that is the Taxi Advisory Committee.<sup>796</sup>

**9.96** Mr Bradley further explained that, whilst he felt it was essential for the NSW Taxi Drivers Association to be represented, it would also be important for a wide range of stakeholders to be a part of the committee because 'the purpose of the Taxi Advisory Committee is to have input ... It does not matter if we necessarily agree with them [other stakeholders]. We think they should have a right to say what they want to say'.<sup>797</sup>

**9.97** Ms Peters was supportive of the reinstatement of a taxi advisory committee, and felt that NCOSS would be able to provide valuable input:

I certainly think that the voice of NCOSS and particularly the focus we bring to disadvantaged and vulnerable people - that certainly includes people with a disability but it also includes others who might be low income, for example, who still might need to make use of taxis and people with mental illness for example, there is a whole range of issues - we can certainly add to the discussion at the table in that sort of forum.<sup>798</sup>

<sup>792</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 8

<sup>793</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 8

<sup>794</sup> Submission 46, p 2

<sup>795</sup> Submission 46, p 2

<sup>796</sup> Mr Trevor Bradley, Treasurer and Committee Member, NSW Taxi Drivers Association, Evidence, 2 February 2010, p 33

<sup>797</sup> Mr Bradley, Evidence, 2 February 2010, p 34

<sup>798</sup> Ms Peters, Evidence, 3 February 2010, p 14

- 9.98** Mr Wielinga advised that NSW Transport and Infrastructure was considering re-instating an advisory committee, and that he has ‘already spoken to taxi industry people about reinvigorating and getting that going again’.<sup>799</sup> He further indicated that ‘I already discussed it late last year with relevant players in the industry, driver representatives, taxi council and so forth ... Without exception, all of them have said to me that they are willing to play a part’.<sup>800</sup>
- 9.99** In addition to determining the composition of the committee, NSW Transport and Infrastructure are producing new terms of reference for the advisory body.<sup>801</sup>
- 9.100** Mr Wielinga acknowledged the competing interests that would be inherent in such an advisory body, stating that ‘there is nothing easy about these things. When you have a group of people in an industry with a difference of views, you have to be prepared to accept some of the turbulence that goes along with that’.<sup>802</sup>
- 9.101** However, the benefits of such a committee could not be discounted:
- I think it provides valuable input to us about issues in the taxi industry. It provides us with an opportunity to invest appropriately in measures to improve safety, things like secure taxi ranks, the utilisation of funds for specific purposes, and to do that in cooperation with the industry to get the most effective outcome. It provides us with a forum to get very detailed input about what is actually going on out there.<sup>803</sup>
- 9.102** As an addition to establishing of a taxi advisory committee, Mr Hirsch suggested that a committee comprising solely of taxi drivers from regional and metropolitan areas be created. The ‘Ministers Drivers Committee’ would aim ‘to formally recognise drivers for the first time in the history of the industry and to deal with the numerous major problems affecting taxi drivers inherent in the industry’.<sup>804</sup>

*Committee comment*

- 9.103** The Committee considers that the re-establishment of a taxi advisory committee would provide an excellent forum for a wide range of stakeholders to address areas of concern and identify ways to improve the performance of the NSW taxi industry.

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<sup>799</sup> Mr Wielinga, Evidence, 2 February 2010, p 16

<sup>800</sup> Mr Wielinga, Evidence, 2 February 2010, p 16

<sup>801</sup> Mr Wielinga, Evidence, 31 March 2010, pp 43 - 44

<sup>802</sup> Mr Wielinga, Evidence, 2 February 2010, p 24

<sup>803</sup> Mr Wielinga, Evidence, 2 February 2010, p 16

<sup>804</sup> Submission 54, p 10

- 9.104** The Committee notes the commitment of NSW Transport and Infrastructure to establish an advisory committee. The Committee encourages the Department to finalise arrangements for the creation of this committee by the end of 2010, and to ensure that a broad range of stakeholders, including driver representatives and representatives from regional and rural NSW, are included in the committee's membership. To be effective, the Committee must meet regularly and report to the Director General of NSW Transport and Infrastructure on its deliberations.

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### **Recommendation 50**

That NSW Transport and Infrastructure finalise the re-establishment of a taxi advisory committee, to meet regularly and report to the Director General of NSW Transport and Infrastructure on its deliberations, and consisting of a broad range of stakeholders, by December 2010.

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### **Appointment of former Ministers and public officials**

- 9.105** The appointment of former Ministers and public officials to positions within the NSW taxi industry was a concern raised by several Inquiry participants.
- 9.106** There is a perception that close relationships exist between the taxi industry and former Ministers and government employees, particularly in regard to Cabcharge. Dr Abelson observed that whilst: 'The appointment of ministers and bureaucrats to industry positions is probably unavoidable ... it creates major potential conflicts of interest and has to be dealt with very carefully. This is particularly so given the dominant position of Cabcharge in the industry'.<sup>805</sup>
- 9.107** Mr Faulks referred to the 'long term, systematic strategy adopted by the major commercial interests involved in the metropolitan Sydney taxi industry to recruit key NSW public employees (and, latterly, former government ministers and ministerial advisors) to positions and roles in the industry ... it must be noted that this strategy has been operating for several decades'.<sup>806</sup>
- 9.108** Mr Faulks explained his concern about this perceived practice:

There is a concern that arises when bureaucrats who have been responsible for the formulation and operation of government policy are recruited to positions in the industry directly or upon their retirement. This issue is one of general concern across political and public sector areas, and is notoriously difficult to manage.<sup>807</sup>

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<sup>805</sup> Submission 30, p 4

<sup>806</sup> Submission 53, p 2

<sup>807</sup> Submission 53, p 2

- 9.109** One Inquiry participant noted that this issue was not unique to the taxi industry, and felt that existing accountability mechanisms were appropriate to address any concerns:

Such accountability mechanisms are the same across all industries and I would hypothesise that the ratio of appointments to the taxi industry is substantially lower than appointments made to other organisations and sectors ... Furthermore, the NSW Parliament has a robust system of disclosure for professional lobbyists as well as recently legislated reforms to electoral funding legislation, to ensure greater openness, transparency and accountability in the political process.<sup>808</sup>

- 9.110** This view was echoed by the NSW Taxi Council:

The NSW Taxi Council can see no justification for the industry to be treated any differently to any other regulated industry in relation to recruitment. Ex government Ministers and bureaucrats are employed in many industries, including those affected by government regulation. This issue is not specific to the taxi industry and would be better dealt with in much broader terms. It is a matter for the government to determine whether it chooses to place restrictions on its own members and employees as part of the terms of their own employment contracts ... If concerns existed about any individual behaviour, appropriate mechanisms and processes are in place for such a matter to be investigated on a case-by-case basis.<sup>809</sup>

- 9.111** NSW Transport and Infrastructure advised that it was ‘not aware of any probity issues with regard to the appointment of former Government ministers or public servants to positions within the taxi industry’,<sup>810</sup> and noted that the Independent Commission Against Corruption ‘was established to deal with allegations of corrupt conduct in connection to NSW public authorities or officials’.<sup>811</sup>

- 9.112** In addition, there are Codes of Conduct to provide additional accountability mechanisms in relation to the employment of former Government ministers or public officials. The Model Code of Conduct for NSW Public Agencies outlines guidelines for the post separation employment of public officials, and states that ‘employees should not use their position to obtain opportunities for future employment’.<sup>812</sup>

- 9.113** The Code of Conduct for Ministers of the Crown provides similar guidelines for NSW Government Ministers. In regard to employment after a Minister leaves office, the Code states that ‘Ministers need to be aware of the risks of conflicts of interest, or perceived conflicts of interest, which might arise when considering (either while in office or after leaving office) offers of employment or engagement’.<sup>813</sup>

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<sup>808</sup> Submission 29, Name suppressed, p 7

<sup>809</sup> Submission 42, pp 27 - 28

<sup>810</sup> Submission 45, pp 11 - 12

<sup>811</sup> Submission 45, p 12

<sup>812</sup> Department of Premier and Cabinet, *Model Code of Conduct for NSW Public Agencies*, February 2009, ch 8, ss 8-12

<sup>813</sup> Department of Premier and Cabinet, *Code of Conduct for Ministers of the Crown*, January 2009, Pt 7, para 7.2

- 9.114** The Code further states in relation to Ministers that they must ‘obtain advice from the Parliamentary Ethics Adviser before accepting any employment or engagement or providing services to third parties (including establishing a business to provide such services) within the first 12 months of leaving Ministerial office, which relates or relate to their former portfolio responsibilities’.<sup>814</sup>

*Committee comment*

- 9.115** The Committee notes the concern within the community about the appointment of former Ministers and public officials to positions within the NSW taxi industry.
- 9.116** Whilst the Committee notes the community perceptions of inappropriate close relationships between the taxi industry and former Ministers and government employees, there are a number of mechanisms in place that attempt to deal with this issue, including the Independent Commission Against Corruption and Codes of Conduct for ex-Members and Ministers, and the Model Code of Conduct for NSW Public Agencies.
- 9.117** The Committee considers that these mechanisms provide sufficiently robust oversight to ensure that corrupt conduct does not occur.

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<sup>814</sup> Department of Premier and Cabinet, *Code of Conduct for Ministers of the Crown*, January 2009, Pt 7, paras 7.4 and 7.5



## Chapter 10 Employment conditions and entitlements for taxi drivers

This Chapter examines issues concerning term of reference (k), most notably the employment conditions and entitlements for taxi drivers in NSW. The Chapter begins with an overview of the current taxi driver training requirements, and examines the recently released national minimum standards for driver training. The Chapter then discusses several elements of the Taxi Industry (Contract Drivers) Contract Determination 1984, including the representative status of parties to the Determination, the employment status of drivers and the earnings and entitlements that drivers are afforded under the Determination.

### Driver training

- 10.1** NSW Transport and Infrastructure advised that all ‘applicants for a taxi driver authority in the Metropolitan Transport District (ie Sydney) must successfully complete a course for taxi drivers approved by the Director General’.<sup>815</sup> In Newcastle, Wollongong and country NSW, applicants are not required to complete formal training, but instead undergo training provided by the relevant network.
- 10.2** Drivers of wheelchair accessible taxis (WATs) must also complete an additional training course that equips drivers with the skills to transport people with physical disabilities.<sup>816</sup> This additional training is discussed in Chapter 8.
- 10.3** NSW Transport and Infrastructure indicated that there is currently one course approved for taxi driver training, which is provided by authorised training providers under licence from the NSW Taxi Council.<sup>817</sup>
- 10.4** The following registered training organisations are licenced to provide driver training:
- NSW Taxi Council
  - The Sydney Taxi School (Lidcombe)
  - Taxi Training Australia (Alexandria and Moorebank)
  - Sydney Taxi Training Centre Pty Ltd (Auburn and Lakemba)
  - The Taxi College (Surry Hills and Parramatta)
  - Newcastle Taxis
  - Wollongong Radio Taxis.<sup>818</sup>

<sup>815</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Les Wielinga, Director General, NSW Transport and Infrastructure, p 7

<sup>816</sup> Passenger Transport Regulation 2007 cl 133(1)

<sup>817</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 7

<sup>818</sup> NSW Transport and Infrastructure, *Taxi Driver Training Schools* <[http://www.transport.nsw.gov.au/taxi/taxi\\_schools.html](http://www.transport.nsw.gov.au/taxi/taxi_schools.html)> (accessed 22 February 2010)

- 10.5** The NSW Taxi Council advised that the driver training course ‘involves a minimum of 140 hours training and includes modules on occupational health and safety, industrial relations, customer service, passengers with special needs, use of equipment, rules and regulations, localities and routes, and taxi driving skills’.<sup>819</sup> The NSW Taxi Council further advised that the training course also involves a post-experience training component:

During their first year of driving a taxi, drivers must complete two workshops based on their own experiences recorded in a driver log-book with their school and attend two half-day seminars run by the NSW Taxi Council. The seminars include presentations from Guide Dogs NSW, Police, Sydney Airport Corporation, Workcover, Australian Taxation Office, Cabcharge, Transport Workers’ Union and NSW T&I Compliance Officers... No other Australian jurisdiction – and we doubt any other jurisdiction in the world – provides this type of training for taxi drivers.<sup>820</sup>

- 10.6** The NSW Taxi Council said that the NSW courses ‘exceed national training standards and provide nationally accredited qualifications. The courses have been developed after extensive consultation with all stakeholder groups in the industry including the relevant Industry Training Advisory Board, disability groups and the Transport Workers Union’.<sup>821</sup>
- 10.7** Although the NSW Taxi Council develops the training program, the NSW Taxi Council advised that NSW Transport and Infrastructure assesses each prospective driver and ‘ultimately decides who has the appropriate skills and aptitude to become a taxi driver’.<sup>822</sup>
- 10.8** NSW Transport and Infrastructure’s examination tests applicants’ English language competency and other skills. The NSW Taxi Council advised that drivers must ‘correctly answer 16 of 20 questions from a pool of questions about 500 locations, and 8 out of 10 questions selected from a pool of 200 on routes, 8 out of 10 questions from a pool of 200 streets and 9 out of 10 questions selected at random on the Passenger Transport Regulations’.<sup>823</sup>
- 10.9** Prospective taxi drivers are responsible for meeting the costs associated with the compulsory training and medical assessments.<sup>824</sup> The NSW Taxi Council noted that, unlike many other entry level jobs, no training support is offered by the Government to prospective taxi drivers:

Entry-level careers in many other industries are supported by the new apprenticeship and traineeship arrangements. Taxi drivers are specifically excluded from this system by the wording of the Traineeship Act for no obvious justifiable reason. The absence of traineeship support for people entering the taxi industry may be preventing some people choosing a career as a taxi driver over alternative careers in other customer service or hospitality industries.<sup>825</sup>

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<sup>819</sup> Submission 42, NSW Taxi Council, p 40

<sup>820</sup> Submission 42, p 41

<sup>821</sup> Submission 42, p 39

<sup>822</sup> Submission 42, p 39

<sup>823</sup> Submission 42, p 39

<sup>824</sup> NSW Transport and Infrastructure, *Taxi driver authorisation package*, p 6

<sup>825</sup> Submission 42, pp 41 - 42

### Criticisms of current driver training

**10.10** A number of Inquiry participants suggested that the current driver training scheme could be improved. Mr Ernie Mollenhauer, Delegate Nominee, NSW Taxi Drivers Association, said that '[t]he weaknesses in training are well reported. Our reputation as professional drivers is soiled by inadequately trained drivers'.<sup>826</sup>

**10.11** The Australian Taxi Drivers' Association noted that taxi driver skills could be upgraded:

Media commentary as to the lack of driver skills and knowledge may well be exaggerated, but they are based on passenger perceptions and real experiences. Training and continued reinforcement of skills needs to be upgraded, together with better tools, such as a mandatory GPS system.<sup>827</sup>

**10.12** One Inquiry participant suggested that regular paid in-service training, including information on driver security, etiquette for dealing with passengers and the benefits to the drivers of picking up more radio jobs, should be implemented to improve performance.<sup>828</sup>

**10.13** Mr Kary Peterson, Transport Manager, Tourism and Transport Forum, referred to driver training as 'the critical factor' in improving driver performance:

It really has been unfair to talk about taxi drivers as part of the transport network and yet not pay them any driver entitlements and not give them proper training. Queensland recently implemented a new training package that talks about English proficiency, drivers' knowledge of the State and location of particular destinations. It also lengthened the training course for them. I believe those things need to be looked at here in New South Wales.<sup>829</sup>

### National driver standards

**10.14** In November 2009, the Australian Transport Council, comprising the Commonwealth, State and Territory Ministers for Transport, announced that new national minimum standards would be established for taxi driver training and competency.<sup>830</sup>

**10.15** From July 2010, all prospective taxi drivers will be tested to assess their competency in a range of skill areas. In addition to passing an English language test, prospective taxi drivers will also need to pass the following competency units prior to receiving their taxi licence:

- use of a taxi's communication systems

<sup>826</sup> Mr Ernie Mollenhauer, Delegate Nominee, NSW Taxi Drivers Association, Evidence, 2 February 2010, p 35

<sup>827</sup> Submission 32, Australian Taxi Drivers Association, p 18

<sup>828</sup> Submission 26, Name suppressed, p 1

<sup>829</sup> Mr Kary Peterson, Manager, Transport, Tourism and Transport Forum, Evidence, 4 February 2010, p 7

<sup>830</sup> Australian Transport Council, *Joint Communique*, 6 November 2009, p 1  
<[http://www.atcouncil.gov.au/communique/files/ATCcommunique\\_1109.pdf](http://www.atcouncil.gov.au/communique/files/ATCcommunique_1109.pdf)>  
(accessed 2 December 2009)

- skills and knowledge to safely drive a taxi
- ability to operate a wheelchair accessible taxi
- understanding of occupational health and safety issues impacting on taxis
- ability to identify and describe local attractions, services and major roads
- completion of workplace induction into the transport industry
- provision of customer service to passengers
- skills to operate a taxi meter, calculate fares, handle payments and maintain accounting records.<sup>831</sup>

**10.16** It is hoped that the new minimum national standards will ‘avoid accreditation ‘shopping’ by potential drivers seeking to exploit differences between jurisdictions’.<sup>832</sup>

**10.17** The NSW Taxi Council considered that the current training and licensing requirements in New South Wales are ‘more stringent than other states’.<sup>833</sup> In its view, having a national training and licensing system will ‘result in lower standards’ and ‘create a duplication of effort and require two tiers of training to develop local competencies’.<sup>834</sup> The NSW Taxi Council said that it has ‘considerable concerns’ with the proposed national system:

The Council of Australian Governments is undertaking steps to develop both national training standards and to issue national licences (taxi driver authorities) for taxi drivers. These initiatives will lessen the control both the NSW Government and the taxi industry itself will have over training competencies and the standard of training delivery ...<sup>835</sup>

**10.18** The NSW Taxi Council felt that the new national training systems ‘ignore the reality that taxi driving is by definition a locality-based job, with specific locality-based competencies. Different regulations, different geography, different customer groups, different safety systems exist in every state’.<sup>836</sup>

**10.19** The NSW Taxi Council further suggested that because networks are held accountable for service quality, the networks should also retain responsibility for training:

Complaint statistics show that the ability of taxi drivers to provide good customer service is the most important factor influencing customer perceptions of service quality. It therefore follows that if networks are to be accountable for service quality

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<sup>831</sup> Hon A Albanese MP, Minister for Infrastructure, Transport, Regional Development and Local Government, ‘New national standards for taxi drivers’, *Media Release*, 6 November 2009

<sup>832</sup> Hon A Albanese MP, Minister for Infrastructure, Transport, Regional Development and Local Government, ‘New national standards for taxi drivers’, *Media Release*, 6 November 2009

<sup>833</sup> Submission 42, p 40

<sup>834</sup> Submission 42, p 40

<sup>835</sup> Submission 42, pp 39 - 40

<sup>836</sup> Submission 42, p 40

then networks must be given the authority and responsibility for managing the training and assessment of taxi drivers.<sup>837</sup>

- 10.20** However, a number of Inquiry participants supported the introduction of new national driver training standards.<sup>838</sup> For example, NSW Transport and Infrastructure advised that:

NSW has supported development of the National Minimum Standards Framework for taxi driver training and the proposed National Taxi Driver Training Standards are currently awaiting approval from the National Quality Council. As the current NSW taxi training course standards already exceed the proposed minimum national standards, there is no need for changes to the current NSW training requirements.<sup>839</sup>

- 10.21** Mr Mollenhauer indicated that the NSW 'Taxi Drivers' Association does not object to the 'proposed national licensing of training which would take it out of the hands of the people who own it now. We believe that national licensing of training would lead to higher levels of training ... It is overdue. By and large, I think, the other States are being raised to our standards'.<sup>840</sup>

- 10.22** Mr Michael Jools, President of the Australian Taxi Drivers Association, told the Committee that the Association also supports 'a national standard for training and competency'.<sup>841</sup> The Australian Taxi Drivers Association further suggested that the whole taxi industry should be 'national, uniform and consistent':

... standards for all aspects of the taxi industry should be national, uniform and consistent with best practice...Whilst the NSW Taxi Council remains the sole provider and beneficiary of copyrighted material which appear to be the sole usable material in NSW, the issue of appropriate driver training is in doubt.<sup>842</sup>

- 10.23** Mr Graeme Cameron, President Elect, Taxi Industry Council of Australia, was supportive of the new standards but was concerned that they were not sufficiently stringent:

... educational training of taxi drivers has been poor overall for many years. In 1996 there was a national standard for taxidrivers that they had to abide by. In 2009, last year, the Federal Minister for Transport and Regional Development issued his standards which, I made comment to his office, were below the standards set in 1996 ... I support it 100 per cent but the standards that have been set by the Minister were below those standards that were set in 1996.<sup>843</sup>

<sup>837</sup> Submission 42, p 39

<sup>838</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Michael Jools, President, Australian Taxi Drivers Association, p 7; Mr Graeme Cameron, President Elect, Taxi Industry Council of Australia, Evidence, 2 February 2010, p 74; Mr Christopher Brown, Managing Director, Tourism and Transport Forum, Evidence, 4 February 2010, p 6; Submission 29, Australian Hotels Association, pp 11 – 12; Mr Ted Hirsch, Taxi driver, Evidence, 4 February 2010, p 14

<sup>839</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Wielinga, p 11

<sup>840</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 35

<sup>841</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Jools, p 7

<sup>842</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Jools, p 7

<sup>843</sup> Mr Cameron, Evidence, 2 February 2010, p 74

- 10.24** The Australian Hotels Association questioned what effect the new standards would have for current drivers:

It is to be hoped that issues of inadequate geographical knowledge may be addressed and rectified to some extent with the introduction of new national Competency Standards for taxi drivers which were reported to have been agreed by transport ministers at the Australian Transport Council meeting on 6 November 2009. However, in that regard, there apparently remains a question of whether the higher standards are to be applied retrospectively to current drivers. We would press all state and territory ministers, and particularly the NSW Minister for Transport, to progress and implement these agreed competency measures without further delay.<sup>844</sup>

*Committee comment*

- 10.25** The Committee considers that effective driver training is critical to improving the level of service that is provided to passengers.
- 10.26** The Committee believes that the national minimum standards for driver training will benefit the taxi industry as a whole. National standards will prevent prospective taxi drivers taking advantage of the jurisdictional differences and ensure that all taxi drivers are able to provide a minimum level of service to passengers.
- 10.27** The Committee notes the suggestion of the Australian Taxi Drivers Association that there should be a mandatory requirement to have a GPS device fitted in all taxis. The Committee further acknowledges that the Wheelchair Accessible Taxi Taskforce – Final Report 2005 recommended that GPS devices should be used in accessible taxis. The Committee believes that this suggestion has considerable merit, and considers that the Minister for Transport should pursue an amendment to the Passenger Transport Regulation 2007 to require all taxis in the NSW fleet to be fitted with GPS devices.

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**Recommendation 51**

That the Minister for Transport pursue an amendment to the Passenger Transport Regulation 2007 to require all taxis in the NSW fleet to be fitted with GPS devices.

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**Driver remuneration**

- 10.28** A central issue raised during this Inquiry is the taxi industry's ability to attract and retain taxi drivers. The Transport Workers Union outlined the deterrents faced by entrants to the industry:

Taxi drivers are expected to work long hours, they regularly risk sanction from Infringement and Police Officers for offences not related to safety, have to pay for their own uniforms, commonly receive remuneration below the contract determination rates and commonly do not receive sick leave, holiday pay, long service

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<sup>844</sup> Submission 29, pp 11 - 12

leave or superannuation. Therefore it is not surprising that the industry has high staff turnover and difficulty attracting appropriate recruits.<sup>845</sup>

- 10.29** The 2005 Taxi Taskforce Report identified a lack of driver incentives, particularly in regard to career opportunities, as leading to a shortage of drivers throughout the industry.<sup>846</sup>
- 10.30** The Australian Taxi Drivers Association referred to the taxi industry as an ‘industry of last choice’:

Taxi driving is a great start for new workplace entry, and for many it’s the only exit choice after displacement from ‘regular’ work. For some it does become a career. For perhaps most, they are only driving ‘in-between’ having a proper job. Only up to one quarter of drivers can ever be ‘owner-drivers’ - three quarters will always remain ‘bailee-drivers’.<sup>847</sup>

- 10.31** Mr Michael Hatrick, taxi driver noted: ‘[w]e are talking about five days a week, or 60 hours of work, and very badly rewarded work. No-one will enter that industry unless he or she is desperate for a job ... It is a pathway to somewhere else, which I think is wrong’.<sup>848</sup> Mr Hatrick continued:

To my mind, a city such as Sydney, with a significant industry like the taxi industry, is deserving of an industry where people view their occupation as a career - as something more than picking fruit in Mildura. I think career paths can be made in the taxi industry as they have been in other cities in the world ... Everything is set up in Sydney for that to happen but why is it not happening? I think a big reason for it is the Taxi Industry (Contract Drivers) Contract Determination 1984. I am not saying that there should not be a document like it – far from it – as I think their working conditions should be codified. However, it falls down in a lot of its provisions ...<sup>849</sup>

- 10.32** Mr Robert Hodge, taxi driver, highlighted the adverse conditions that taxi drivers face, including 12 hour shifts, fatigue, poor occupational health and safety, parking regulations, insurance issues, defective vehicles, high pay-ins and lack of entitlements.<sup>850</sup>
- 10.33** Mr Mollenhauer suggested that two factors – safety and remuneration – are key to retaining taxi drivers: ‘If you can improve their safety and improve their rewards it will keep more taxi drivers in the industry’.<sup>851</sup>

<sup>845</sup> Submission 41, Transport Workers Union of NSW, pp 2-3

<sup>846</sup> Ministry of Transport, *Taxi Taskforce Report*, December 2005, p 11

<sup>847</sup> Submission 32, p 1

<sup>848</sup> Mr Michael Hatrick, Taxi driver, Evidence, 3 February 2010, p 35

<sup>849</sup> Mr Hatrick, Evidence, 3 February 2010, pp 34-35

<sup>850</sup> Submission 10, Mr Robert Hodge, pp 1-2

<sup>851</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 31

- 10.34** However, the NSW Taxi Council disputed the suggestion that there is a high turnover in taxi drivers:

In Sydney, in 2008 only 9% of new taxi drivers failed to renew their taxi driving authority after the first year. For those that commenced in 2005 a total of 31% had not renewed their authority after their first four years. The latest figures therefore seem to indicate that about 70% of taxi drivers stay in the industry for at least 5 years. About 60% of taxi drivers who started in 2002 still retain their taxi driver authority and are into their eighth year.<sup>852</sup>

*Committee comment*

- 10.35** The Committee considers that to improve the performance of the NSW taxi industry, it is critically important that taxi drivers are given appropriate remuneration for their work, including access to leave entitlements. This recognition will attract more drivers to join the industry and encourage existing drivers to remain in the taxi industry over the longer term.
- 10.36** The remainder of this Chapter discusses the working conditions and entitlements for taxi drivers. Driver earnings and entitlements are discussed in the following sections.

## Employment conditions for drivers

- 10.37** Employment conditions and entitlements for taxi drivers in the Sydney Metropolitan Transport District are set by the NSW Industrial Relations Commission, and outlined in the Taxi Industry (Contract Drivers) Contract Determination 1984 (the Determination). NSW Transport and Infrastructure summarised what is covered in the Determination:

In 1984, a Taxi Industry (Contract Drivers) Contract Determination was established by the NSW Industrial Relations Commission which applies to bailee taxi drivers and bailor taxi operators in the Sydney Metropolitan Transport District. The Determination covers driver entitlements including annual leave, sick leave and long service leave.<sup>853</sup>

- 10.38** The NSW Taxi Council explained that drivers are able to choose from two methods of bailment, based either on a maximum set pay-in, or on the driver receiving a percentage commission of the shift takings. The Determination also outlines the entitlements that are payable to permanent bailee drivers.<sup>854</sup>
- 10.39** The NSW Taxi Council said that '[d]rivers are free to shop around and negotiate lower pay-ins and it is very rare for an operator to ever achieve the maximum allowable pay-in'.<sup>855</sup> As outlined in Chapter 2, the maximum pay-in amount allowable is set by the Industrial Relations

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<sup>852</sup> Supplementary Submission 42a, NSW Taxi Council, pp 6 - 7

<sup>853</sup> Submission 45, NSW Transport and Infrastructure, p 13

<sup>854</sup> Submission 42, p 36

<sup>855</sup> Submission 42, p 36

Commission.<sup>856</sup> The maximum pay-in amount ranges from \$160.03 for a day shift, to \$243.74 for a Friday or Saturday night shift.

**10.40** Importantly, the Determination applies only to permanent bailee drivers. A permanent bailee driver is one who regularly takes a taxi cab on bailment from the same bailor for five shifts per week; or at least 220 night shifts per year. Under the determination, a casual bailee is not entitled to any sick, annual or other leave.<sup>857</sup>

**10.41** Mr Jools observed that there is a large distinction between the Determination and what drivers actually receive:

So whilst you may have been told the Industrial Relations Act contract determination protects and grants entitlements to taxi drivers, it does not. The majority of drivers in Sydney, which is the only place that the taxi determination actually covers, are casual drivers. They are not covered for things like holiday pay, sick pay and all those basic entitlements.<sup>858</sup>

**10.42** The Committee became aware of some tension regarding which organisations have standing at the Industrial Relations Commission. The NSW Taxi Council is the registered industrial organisation for employers, whilst the Transport Workers Union (TWU) is the registered organisation representing bailee taxi drivers.<sup>859</sup>

**10.43** Mr Hatrick was not happy that organisations ‘other than the Transport Workers Union do not have standing in the Industrial Relations Commission ... Sometimes they have argued for and been given intervener status, but they have been stopped from being a party to the determination’.<sup>860</sup>

**10.44** The TWU advised in regard to their membership that ‘[t]here are 70 taxi drivers from an overall membership of over 36,000 drivers’.<sup>861</sup> The TWU noted that it has ‘made a number of serious attempts to organise the industry using traditional and tailored strategies’, but that there were a number of challenges in representing taxi drivers. These difficulties include:

- most drivers are not aware of their rights
- drivers can be fearful of enforcing their rights as it may jeopardise their chances of receiving shifts
- the industry has a high turnover of drivers
- for many drivers English is not their first language

<sup>856</sup> Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, Evidence, 2 February 2010, p 9

<sup>857</sup> Submission 45 - Attachment B, Office of Industrial Relations - NSW Transport and Infrastructure, *Taxi Industry – A guide for bailees and bailors*, September 2009, p 1

<sup>858</sup> Mr Michael Jools, President, Australian Taxi Drivers Association, Evidence, 3 February 2010, p 23

<sup>859</sup> Mr Ramshaw, Evidence, 2 February 2010, p 2

<sup>860</sup> Mr Hatrick, Evidence, 3 February 2010, p 39

<sup>861</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Garth Mulholland, Chief Adviser, Transport Workers Union, p 3

- many drivers come from countries which do not have a prominent trade union movement.<sup>862</sup>

**10.45** Mr Hatrick further explained why a low number of taxi drivers elect to be members of the TWU:

The TWU's membership fees are such that it is very onerous on taxi drivers earning what they earn—what a checkout chick earns at a supermarket, roughly \$16 an hour; that comes from a pretty well researched submission to IPART a few years ago—so they cannot afford the \$500 a year it costs to be a member of the TWU in most circumstances.<sup>863</sup>

**10.46** The NSW Taxi Drivers Association told the Committee that they should be granted representative status in the Industrial Relations Commission as an alternative to the Transport Workers Union.<sup>864</sup> The Association advised that details of its membership numbers were 'confidential', but indicated that 'our membership is open to everybody who drives a New South Wales taxi, be they a bailee, a lessee or an owner/driver'.<sup>865</sup>

#### *Committee comment*

**10.47** The Committee acknowledges that strong representation in the Industrial Relations Commission is a critical factor in influencing changes to the Determination.

**10.48** Throughout the course of the Inquiry, the Committee became aware that there are a number of organisations that claim to represent taxi drivers in New South Wales, including the Transport Workers Union, the NSW Taxi Drivers Association and the Australian Taxi Drivers Association.

**10.49** The Committee is unable to ascertain the extent to which industry organisations participating in the Inquiry represent the interests of taxi drivers.

#### **Driver earnings**

**10.50** One of the biggest issues raised by taxi drivers during the Inquiry related to their earnings. Whilst it is difficult to determine the average earnings of taxi drivers, the Committee heard estimates ranging from \$10 to \$19 per hour.

**10.51** Inquiry participants noted that there are a range of factors that influence the earning capacity of a taxi driver. The NSW Taxi Council summarised these factors:

A taxidriver's earnings are largely determined by a whole range of factors including the ability of the driver to find passengers, the ebbs and flows in demand for taxi services, and the number of cabs that are available at various times ... The amount that drivers earn in any one hour will vary widely depending on the time of the day, the day of the

<sup>862</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Mulholland, p 1

<sup>863</sup> Mr Hatrick, Evidence, 3 February 2010, p 39

<sup>864</sup> Mr Hirsch, Evidence, 4 February 2010, p 13

<sup>865</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 36

week and the week of the year. Trying to come up with a meaningful figure for hourly earnings is a difficult task. In Sydney, for example, the vast majority of drivers choose a method of a fixed pay-in to the operator. All the takings from the cab are the driver's, and he then pays for his expenses out of all the takings. The main component of those expenses is, of course, for fuel and the pay-in to the operator.<sup>866</sup>

**10.52** Drivers' earnings will be affected by their chosen method of bailment. As outlined earlier, under the Determination a bailee driver may elect one of two payment methods for the bailment of the vehicle, with most drivers opting for a set pay-in as outlined in Method II.

**10.53** Dr Peter Abelson estimates that '[m]ost taxis in Sydney are leased to drivers for a fee per shift varying from about \$120 to \$200 per shift depending on the time of the week. The average cost in Sydney is about \$160 per shift (or \$960 a week for six shifts)'.<sup>867</sup>

**10.54** Mr Hirsch observed that the amount of pay-in differs depending on where the taxi operates:

The levels are also quite different, for instance, amongst lessee drivers in Blacktown to the city areas, where \$120 is more typical in, say, areas like Blacktown, where around the city it is \$135 or so ... The degree of negotiation and choice is very low and, as has been said here several times, either pay that or go somewhere else ...<sup>868</sup>

**10.55** A number of Inquiry participants commented on the difficulties that drivers face in earning an income, with opinions varying as to how much taxi drivers earn an hour. Mr Trevor Bradley, Treasurer and Committee Member, NSW Taxi Drivers Association, said that:

A considerable time ago taxidrivers were supposedly awarded \$19 an hour by, I think, Justice O'Connor, in the Industrial Commission. They have never got it. Recently the Taxi Council said that according to them taxidrivers were getting an average of around \$14 an hour. An independent survey of experienced WAT cab drivers, who really know what they are doing, came up with a figure of about \$12 an hour ... I think most drivers' mean is probably close to \$10 an hour and a large number of drivers who come in for three or four months and find it is too hard and get out – students and young drivers and new drivers – are probably making something like \$5 an hour. It is peanuts.<sup>869</sup>

**10.56** It was suggested that the low incomes of taxi drivers are a major deterrent to retaining taxi drivers in the industry. Mr Hirsch said '[t]he life of taxidrivers is often dreadful. The large numbers who give it away within 12 months of completing their initial training, having realised the paltry chancy earnings and conditions and dangers, are often the lucky ones'.<sup>870</sup>

<sup>866</sup> Mr Ramshaw, Evidence, 2 February 2010, p 8

<sup>867</sup> Submission 30 - Appendix A, Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, *Economic Evaluation of Taxi Industry Reform in Sydney*, January 2010, p 6

<sup>868</sup> Mr Hirsch, Evidence, 4 February 2010, p 15

<sup>869</sup> Mr Trevor Bradley, Treasurer and Committee Member, NSW Taxi Drivers Association, Evidence, 2 February 2010, p 33

<sup>870</sup> Submission 54, Mr Ted Hirsch, p 9

- 10.57** Mr Barry Bell, taxi driver, further detailed the difficulties faced by drivers, including not making any money at all during a shift:

I have seen a number of new drivers, working on a managed taxi, finishing a shift not only making nothing for himself but owing money out of his own pocket. That is why they drop out and the traveling public are left with drivers who are desperate to earn a living that they tend to extract as much as they can from the passengers leading to complaints and loss of customers.<sup>871</sup>

- 10.58** Mr Mollenhauer highlighted that one of the difficulties in estimating a taxi drivers' earning is that 'sometimes we sit for three or four hours at a time without a passenger and we get paid absolutely nothing while we are sitting in those vacant cabs'.<sup>872</sup>

- 10.59** Mr Christopher Brown, Managing Director, Tourism and Transport Forum, commented that it was important to improve the financial incentives for taxi drivers as a means to improve customer service:

... there is an enormous amount of money flowing to the cab industry generally. The share price or share value of companies like Cabcharge indicates that there is obviously a lot of money in taxis, but it is not going to drivers. If we want to improve service standards, part of that means investing in service quality and providing enough financial incentive to the drivers to improve themselves or to take on the role.<sup>873</sup>

### **Driver entitlements**

- 10.60** Access to leave entitlements granted to taxi drivers are granted under the Determination was a significant concern for Inquiry participants. The Determination makes several provisions for leave:

- annual leave – a permanent bailee is entitled to annual leave after the completion of a minimum of 220 night shifts within a 12 month period, or on termination of their contract. The amount due is calculated depending on the period of the bailment and the method by which the vehicle is bailed
- sick leave – in the first year of bailment, a permanent bailee is entitled to five days sick leave, whilst in the second and subsequent years of bailment, a bailee is entitled to eight days sick leave. Untaken sick leave accrues, with the amount paid varying depending on the method by which the vehicle is bailed
- long service leave – permanent bailees that have served continuously with one bailor for at least five years, commencing on or after 1 February 1972, are entitled to long service leave. The amount paid is calculated under the *Long Service Leave Act 1955*.<sup>874</sup>

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<sup>871</sup> Submission 12, Mr Barry Bell, p 2

<sup>872</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 29

<sup>873</sup> Mr Brown, Evidence, 4 February 2010, p 3

<sup>874</sup> Submission 45 - Attachment B, p 2

**10.61** However, the Committee heard that it is not uncommon for bailee drivers to negotiate lower pay-ins by trading away their leave entitlements. The NSW Taxi Council advised that '[d]rivers have a propensity to try and negotiate away their entitlements as they prefer to achieve a cash cost saving (a lower pay-in, which means higher net income for the driver) rather than accrue a future holiday pay entitlement'.<sup>875</sup>

**10.62** One Inquiry participant said that '[n]inety nine percent of drivers and operators work on mutually agreed lower pay-in in exchange for sick leave and holiday pay'.<sup>876</sup>

**10.63** Mr Darcy Waller, Official, Transport Workers Union, indicated that during training sessions with new drivers, one of the most common questions was about entitlements to holiday and sick leave:

Are we entitled to it? Yes, you are. "Oh, but our operator says that if we only charge you the lowest pay-in figure you are not entitled to sick pay or holiday pay." Basically that means that you are trading away your entitlements and rights. It is a sad state of affairs ...<sup>877</sup>

**10.64** Mr Hatrick advised that even where drivers are entitled to access leave, it can be difficult to secure the entitlements:

I have been a bailee driver, full-time tenure, since the year I started, 1979—to this day, unbroken tenure. Throughout that period I have had a constant running battle with the bailor sector of the industry I have been engaged with throughout the whole time, over things like holiday pay, sick pay, security of tenure. I would say that just about every time I have managed to get an entitlement it has involved legal action of some sort. Very often it has involved going to be Industrial Relations Commission and thrashing it out there.<sup>878</sup>

**10.65** The Tourism and Transport Forum observed that there may be financial disincentives for drivers to take leave, and suggested formalising driver entitlements in employment contracts:

With rising operating costs and small profit margins, the reality is that taking leave is not a viable option for many drivers. Allowing drivers these entitlements, by enshrining them into binding employment contracts will transform taxi driving into an attractive professional career.<sup>879</sup>

**10.66** It was also suggested to the Committee that although drivers can elect which method they prefer to operate under, drivers may feel coerced into trading away their entitlements in exchange for a lower pay-in. Mr Hatrick commented:

When people talk about others contracting out of the determination, they are talking about one party to the contract determination contracting out of that determination, most often that party being the bailor because he has much to gain from doing that ...

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<sup>875</sup> Submission 42, p 37

<sup>876</sup> Submission 55, Name suppressed, p 3

<sup>877</sup> Mr Darcy Waller, Official, Transport Workers Union, Evidence, 2 February 2010, p 61

<sup>878</sup> Mr Hatrick, Evidence, 3 February 2010, p 33

<sup>879</sup> Submission 56, Tourism and Transport Forum, p 6

However, one party to the determination has contracted out of the implementation of the contract determination because he is in a position of much more power than the other party. If that party says, "Here are the official pay-in ceilings. I am not charging you these ceilings. I am not paying you holiday pay on account of that", that is contracting out of the determination by one party more than the other. The other party is having duress put on him.<sup>880</sup>

- 10.67** On the other hand, the NSW Taxi Council said that operators can feel coerced into agreeing to certain employment conditions:

The current system leaves taxi operators vulnerable. It is virtually impossible for an operator who wants to honour the contract determination and charge the pay-in necessary for them to be able to put aside holiday pay for their driver, to compete with operators who are willing to accede to bailee drivers' requests to accept a lower pay-in in lieu of holiday pay and other entitlements. Notwithstanding that at any time a permanent bailee driver can demand payment of their entitlements regardless of any previous agreement they have made.<sup>881</sup>

- 10.68** Mr Ramshaw elaborated on the NSW Taxi Council's view, stating that operators may be put in a difficult position:

Drivers also have a propensity to prefer to pay a lower pay-in in lieu of receiving holiday pay at a later time. Operators are in a difficult situation. Whilst such an arrangement is not binding at law, it is an arrangement that operators tend to be forced into because there is fierce competition between operators in order to bail their cabs and get them on the road for as many shifts each week as possible.<sup>882</sup>

### **Regional and rural employment conditions**

- 10.69** As noted previously, the Determination only applies to the bailment of taxis in the Sydney Metropolitan Transport District. In regional and rural NSW, employment conditions are similar to the Method I arrangements under the Determination, where operators and drivers each retain a percentage of the fare.

- 10.70** Mr Lawrence Stewart, Director, Southern Highlands Taxi Service explained how Method I works in his company:

We do not employ drivers. The drivers are under a bailment agreement. They pay us a fee to lease the taxis ... They pay a percentage of their fare box. In other words, they keep for themselves a percentage of the amount of fees they collect and they pay a percentage to us for leasing the vehicle. In that way, if it is a pretty ordinary shift, we both share in that ordinary trading. If it is really good shift, we both do better.<sup>883</sup>

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<sup>880</sup> Mr Hatrick, Evidence, 3 February 2010, p 35

<sup>881</sup> Submission 42, p 37

<sup>882</sup> Mr Ramshaw, Evidence, 2 February 2010, p 9

<sup>883</sup> Mr Lawrence Stewart, Director, Southern Highlands Taxi Service, Evidence, 4 February 2010, pp 47-48

- 10.71** Mr Reginald Cockburn, owner-operator, Newcastle Taxis, said that in Newcastle drivers also earn a percentage of the fare:

We pay our drivers a percentage. They start at 45 per cent and progress to 50 per cent. What you will find up there at the moment is that there are very few owner-operators paying 45 per cent because you cannot get drivers ... So you pay 50 per cent. If I paid more than 50 per cent, I would go broke ... If we were forced to do things like pay superannuation and so forth, I could hand you my plates now.<sup>884</sup>

- 10.72** Mr Cockburn observed that the industry in Newcastle had recently experienced a significant downturn: 'it would appear that within two years there has been a drop of about 16 per cent in income up there, and it has been particularly noticeable since the economic downturn'.<sup>885</sup> Mr Cockburn illustrated this situation:

I picked up my taxi on Tuesday morning of this week from the repairer after having it had been serviced overnight. It cost me just under \$900 for that service. I went on the road myself as the driver. I worked 10 hours and I took \$161. If you take out my mortgage and my on-costs, there is no way in the world I made a profit that day. I ran the taxi at a loss.<sup>886</sup>

- 10.73** In addition, if Mr Cockburn had a driver for that shift, the earnings would have been split 50:50 as per the drivers arrangement and Mr Cockburn, as the owner of the vehicle, would have paid for the fuel.<sup>887</sup>

- 10.74** Mr Waller noted that the general rule of thumb in regional and rural areas is a 60:40 split:

The general rule of thumb that I have been able to understand is that there is a 60:40 ratio in the pay-in - 60 goes to the operators and 40 to the driver. On a bad day in Port Macquarie, Bourke or Dubbo that 40 might not be very much at all. One issue they have is that there is no down time if the cab is off the road. Say they are asked to do a shift and through whatever reason there might be a problem and the cab is off the road for two or three hours and they do not get paid for it.<sup>888</sup>

### **Industrial rights training**

- 10.75** According to the NSW Taxi Council, all drivers and operators are taught about industrial relations during training:

All taxi drivers and taxi operators are taught about these industrial relations matters during their mandatory training and everyone in the industry is well aware of their rights and obligations. During the second half of 2009, the NSW Taxi Council

<sup>884</sup> Mr Reginald Cockburn, Owner-operator, Newcastle Taxis, Evidence, 4 February 2010, p 26

<sup>885</sup> Mr Cockburn, Evidence, 4 February 2010, p 20

<sup>886</sup> Mr Cockburn, Evidence, 4 February 2010, p 26

<sup>887</sup> Mr Cockburn, Evidence, 4 February 2010, p 26

<sup>888</sup> Mr Waller, Evidence, 2 February 2010, p 60

provided assistance to the NSW Office of Industrial Relations in delivering an awareness and compliance campaign within the taxi industry.<sup>889</sup>

- 10.76** Mr Andrew Nicholls, Director, Transport Policy and Reform, NSW Transport and Infrastructure advised that although the Department is ‘not directly involved in the employment relationship’<sup>890</sup> it does assist in disseminating industrial rights information. For example:

In September 2009, NSW Industrial Relations ran an information campaign, with the cooperation of NSW/ITI, targeting the Sydney taxi industry to educate both drivers and operators of their rights and responsibilities. This was followed by the inspection of 20 major operators during November to assess levels of compliance.<sup>891</sup>

- 10.77** However, Mr Garth Mulholland, Chief Advisor, Transport Workers Union, questioned whether the current training program allocated sufficient time to provide drivers with information about their industrial rights:

... do we really think that 20 minutes of industrial rights training is enough to help these guys do what they need to do, to understand their rights and to be able to stand up to their boss when they need to? They would not even know who to call or who to talk to.<sup>892</sup>

### **Bailee driver or employee?**

- 10.78** The Taxi Taskforce Report 2005 noted the ‘complex array’ of employment relationships that exist in the NSW taxi industry, where ‘no party is a direct employee of the other’:

Driver’s bail or lease a cab from an operator, operators lease a licence from a licence owner and the owner pays a connection fee by way of a contract with the network to receive taxi bookings through that network’s dispatch system. Drivers have no direct relationship with the network other than through a set of rules or by-laws that networks use to support their operations. These underpin the requirement on networks to monitor and supervise operators and drivers attached to their services.<sup>893</sup>

- 10.79** Of particular concern during the Inquiry was the designation of taxi drivers as bailee drivers, rather than employees. The Australian Taxi Drivers Association explained the impact of this distinction:

In NSW taxi drivers fall into two categories – that of the ‘owner/driver’ as the accredited operator of the taxi plate driving his own taxi, or as a ‘bailee driver’ taking out a taxi on bailment. The High Court has determined that, for the purposes of

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<sup>889</sup> Submission 42, p 37

<sup>890</sup> Mr Andrew Nicholls, Director, Transport Policy and Reform, NSW Transport and Infrastructure, Evidence, 2 February 2010, p 23

<sup>891</sup> Submission 45, p 13

<sup>892</sup> Mr Garth Mulholland, Chief Advisor, Transport Workers Union, Evidence, 2 February 2010, p 67

<sup>893</sup> NSW Ministry of Transport, *Taxi Taskforce Report*, December 2005, p 17

retention from wages for payment of income tax, and for requirements to provide for superannuation, that taxi drivers are not employees of their operators.<sup>894</sup>

- 10.80** Mr Jools said that the Australian Taxi Drivers Association wanted ‘to change the employment status of drivers’:

I drive 48 hours a week, four nights a week because I find I cannot physically do more than that. In any other industry I would be a full-time employee yet in the taxi industry I am a casual, but worse than that, the taxi drivers contract determination ... only offers entitlements protection to full-time drivers.<sup>895</sup>

- 10.81** Mr Waller stated that ‘the bailee situation is not working. I call them employees. They are entitled to holiday pay and they are entitled to sick pay. They are employees of somebody’.<sup>896</sup>

- 10.82** Mr Brown observed that both ends of the employment spectrum – either owner/drivers or employee – appeared preferable to the current bailee arrangement:

In my parents’ generation my grandparents spoke about, “Wasn’t it good back in the day when the driver owned the cab.”... as best I can tell, that is a pretty good system – whether it is a classic small business, the person – presumably a man in those days – owned the cab, drove the cab, cleaned the cab and knew his passengers, and it was a system. All great things change and modernity sets in ... So if you want to go to the other end, it would probably be paid, remunerated, trained employees. It should be one of the two. I think the system we have at the moment is not working ... That driver deserves the protection of employee status. If we cannot have an owner-operator, then give me a fully trained employee.<sup>897</sup>

- 10.83** Mr Bradley suggested that taxi drivers should be recognised as casual employees:

The simplest solution is to acknowledge that inherently taxi driving is on a casual basis because 95 per cent of the relationships are on that basis. You come for a shift and go, and you can be dismissed on any shift. The taxidriver can walk away after any shift and an operator can say to a driver, “Don’t come back for the next shift”, at any time. That being the case, acknowledge it, and compensate by increasing the rate of return for drivers. In other words, base it upon a casual rate.<sup>898</sup>

- 10.84** Mr Mollenhauer acknowledged that some drivers may prefer to maintain the status quo: ‘Certainly some would want to be an employee; some relish the prospect of being self-employed. I am sure they would all like a reliable income, but I cannot speak for all drivers’.<sup>899</sup>

<sup>894</sup> Submission 32, p 16

<sup>895</sup> Mr Jools, Evidence, 3 February 2010, p 23

<sup>896</sup> Mr Waller, Evidence, 2 February 2010, p 62

<sup>897</sup> Mr Brown, Evidence, 4 February 2010, p 5

<sup>898</sup> Mr Bradley, Evidence, 2 February 2010, p 32

<sup>899</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 32

### Updating the Determination

- 10.85** A number of Inquiry participants suggested that the Determination should be updated to better reflect the current needs of the industry. One submission author observed that '[t]he taxi industry (contract drivers) Contract Determination 1984 [TI (CD) 1984] is out of date and a big hurdle to taxi drivers to become operators as it frightens them'.<sup>900</sup> Mr Hirsch, for example, felt that 'there is a great need for change and correction in many aspects of the contract determination'.<sup>901</sup>
- 10.86** The Australian Taxi Drivers Association noted that the Determination 'dates back to 1984 and has not, since then, been updated other than for increases in Method II maximum pay-in rates'.<sup>902</sup>
- 10.87** Mr Waller said that the Transport Workers Union had been advised that a new industrial agreement will eventually need to be negotiated:

It did get reviewed under the old system, under the State Industrial Commission. I asked the question to our legal office what is going to happen to it. We have been told it will stay in place and eventually will have to be moved aside because all those determinations will fall by the wayside and new agreements will need to be negotiated in the future.<sup>903</sup>

- 10.88** Mr Hatrick also advocated for a review of the current determination:

The New South Wales jurisdiction has behaved quite honourably in the past towards bailee taxi drivers. I am speaking of the Edwards report in the late 1930s, I think, and the Beattie report of the 1960s, which laid down some very good law for the regulators to follow. In the meantime, since 1968 particularly, those recommendations that came from way up on high in the court system have been virtually eroded away ... If we remain under the New South Wales jurisdiction, let us put it to the New South Wales Industrial Relations Commission at a very high level—at either full court or full commission level – to do an investigation into this industry and make recommendations ...<sup>904</sup>

### *Committee comment*

- 10.89** It is evident that there is much concern surrounding the current Determination, particularly as it relates to driver entitlements and the employment status of drivers. There appear to be concerns about the content of the Determination, and primarily, whether the entitlements specified by the Determination are actually being passed on to drivers.

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<sup>900</sup> Submission 55, p 3

<sup>901</sup> Mr Hirsch, Evidence, 4 February 2010, p 13

<sup>902</sup> Submission 32, p 17

<sup>903</sup> Mr Waller, Evidence, 2 February 2010, p 70

<sup>904</sup> Mr Hatrick, 3 February 2010, p 38

- 10.90** The Committee acknowledges that some drivers wish to minimise their pay-ins, whilst some operators wish to minimise the value of the leave entitlements that they are required to pay to drivers. However, the Committee considers that that practice of trading entitlements to secure lower rates of pay-in places is not sustainable.
- 10.91** The Determination clearly outlines leave entitlements that permanent bailee drivers are entitled to, and the maximum pay-in that operators can charge. Although drivers and operators are free to negotiate pay-ins below that maximum amount as set in the Determination, the Committee does not believe that it should be at the expense of leave entitlements.
- 10.92** The Committee is further concerned that a large number of taxi drivers are not afforded any protection by the current Determination, as the Determination only applies to permanent bailee drivers in the Sydney Metropolitan Area. This can generate confusion amongst drivers as to what their entitlements are, and may deter drivers from entering, or remaining in, the taxi industry.
- 10.93** The Committee is also concerned that the amount of time devoted to occupational health and safety as well as industrial rights issues during the driver training course may not be sufficient to adequately inform taxi drivers of their entitlements. The Committee considers that more time should be allocated to industrial rights issues during driver training, to ensure that taxi drivers are equipped with the necessary knowledge to make informed decisions relating to their employment conditions.

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**Recommendation 52**

That NSW Transport and Infrastructure review the current driver training program and increase the amount of time that is allocated to teaching about occupational health and safety as well as industrial rights issues.

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- 10.94** The Committee believes that the Minister for Industrial Relations should request that the Industrial Relations Commission review the Taxi Industry (Contract Drivers) Contract Determination 1984 to better reflect the current needs of the NSW taxi industry. The review should include, but not be limited to, an examination of the earnings and entitlements of drivers, and a clarification of the employment status of drivers.

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**Recommendation 53**

That the Minister for Industrial Relations request that the NSW Industrial Relations Commission review the Taxi Industry (Contract Drivers) Contract Determination 1984, to reflect the current needs of the NSW taxi industry.

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## Chapter 11 Working conditions for taxi drivers

This Chapter examines the working conditions of taxi drivers, as required by term of reference (k). The Chapter begins by discussing occupational health and safety issues facing drivers, including the roadworthiness of taxis and potential risks from passengers. The Chapter then considers security systems that are in place inside taxis, before concluding by canvassing the road and parking regulations that impact on a taxi driver's ability to safely and efficiently transport passengers.

### Safety and security issues

**11.1** A significant issue of concern during the Inquiry was the safety and security of drivers in their workplace. Inquiry participants drew attention to a range of issues that are faced by taxi drivers, including the roadworthiness of vehicles, occupational health and safety, and the risks involved in transporting passengers.

**11.2** The Australian Taxi Drivers Association told the Committee that '[t]he security and safety of taxi drivers and their passengers is of major concern':

Almost all drivers want to do their job, arduous as a twelve hour shift may be, in safety and with a degree of respect and self respect which ensures they will be paid for their services, not be physically assaulted or robbed, and in a reasonably comfortable working environment. They would like to earn a living wage for their families. They would offer, in return a comfortable, reliable, and safe trip for passengers, with a courteous and appropriate level of service and communication.<sup>905</sup>

**11.3** Mr Faruque Ahmed, taxi driver, referred to passenger as well as driver rights to safety and comfort:

Taxi passengers have a right to have a safe and comfortable ride. Taxis have to be safe mechanically and comfortable ... Industry rules and regulations must protect the interests of the public and the State and provide the public and workers with a safe and comfortable workplace ...<sup>906</sup>

### Vehicle roadworthiness

**11.4** An area of concern for taxi drivers is the roadworthiness of the vehicle that they drive. The NSW Taxi Council explained that 'taxi operators are responsible for the provision of a vehicle that complies with specified safety requirements and taxi networks are held responsible for the provision of certain equipment and services such as alarm monitoring and responses'.<sup>907</sup>

**11.5** Mr Darcy Waller, Official, NSW Transport Workers Union observed that the operator is responsible for providing 'a clean, safe, healthy workplace', and a vehicle that is roadworthy.<sup>908</sup>

<sup>905</sup> Submission 32, Australian Taxi Drivers Association, p 19

<sup>906</sup> Mr Faruque Ahmed, taxi driver, Evidence, 3 February 2010, p 34

<sup>907</sup> Submission 42, NSW Taxi Council, p 38

<sup>908</sup> Mr Darcy Waller, Official, Transport Workers Union, Evidence, 2 February 2010, p 69

- 11.6** The NSW Taxi Council elaborated on the requirements that a taxi operator must meet in regard to the provision of a vehicle:

Taxi operators are responsible for the supply and maintenance of equipment in the taxi-cab and the vehicle itself. The operator is also responsible for ensuring only authorised taxi drivers use the taxicab. Taxi operators must ensure that the taxi-cab is subject to and passes a regular inspection regime. Taxis in the major urban areas must be inspected 3 times per year at an Authorised Taxi Inspection Site (ATIS), by an authorised examiner. Taxis in other areas are subject to the same process but at less frequent intervals because these taxis travel less kilometers.<sup>909</sup>

- 11.7** The NSW Taxi Council advised that these inspections involve ‘a regular vehicle roadworthiness inspection (pink slip) plus a comfort standards inspection (magenta slip)’.<sup>910</sup> These inspections follow a defined procedure ‘that includes testing the calibration of the taximeter, verification that the alarm and vehicle tracking device have been tested, testing of the security camera and a range of other matters’.<sup>911</sup>

- 11.8** Despite the requirement to provide a roadworthy vehicle, it was noted by several Inquiry participants that some vehicles on the road have defects. Mr Ian Faulks listed some problems that have been identified with vehicles:

There has been some concern with the roadworthiness of taxis, with maintenance, inspection and compliance issues subject to question. Instances that have been cited include allegations of the disconnection of driver airbags, inoperative radio equipment (rendering emergency alarm systems also inoperative), worn tyres, inoperative brake and hazard lights, and faults in transmission, differential and steering mechanisms.<sup>912</sup>

- 11.9** Mr Michael Hatrick, taxi driver, explained that in his experience the roadworthiness and presentation of vehicles is a problem:

... concern about the condition of roadworthiness particularly, but also presentation, of many taxis in Sydney – quite significantly those taxis that are being operated by people who do not drive them, in other words, people who on both the afternoon and night shifts have other drivers. I have experienced terrible, deplorable, conditions in the whole of the time I have been working in the taxi industry.<sup>913</sup>

- 11.10** Mr Hatrick highlighted the unenviable decision that drivers must make when they identify that the vehicle they have paid to drive is unroadworthy:

A major area of driver exploitation involves the compulsion of many bailee drivers to drive vehicles of such substandard roadworthiness that in many other situations their

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<sup>909</sup> Submission 42, p 26

<sup>910</sup> Submission 42, p 26

<sup>911</sup> Submission 42, p 26

<sup>912</sup> Submission 53, Mr Ian Faulks, Honorary Associate, Department of Psychology, Macquarie University, p 3

<sup>913</sup> Mr Michael Hatrick, taxi driver, Evidence, 3 February 2010, p 33

lethality would give rise to the word ‘murderous’. The choice is a stark one. Drive it or go home.<sup>914</sup>

- 11.11** Mr Waller outlined difficulties faced by a taxi driver who complains to an operator about vehicle defects:

... little things in the cab may not be working correctly, such as the lights. They go to their operator and say, “There are no lights on this taxi.” He says, “That’s all right, you will be back before dark.” That is incorrect. They still need the lights because heavy rainstorms or anything could happen. “The indicators aren’t working” – “It’s okay, it’s only the front left-hand side.” “The brakes aren’t working properly” – “Yeah, I know about that. I’ve got it reported and I’ll fix it up later on. Take the cab out or you won’t have a job.” I recall one case last year about bald tyres. The operator said, “I haven’t got the tyres here yet. The guy’s let me down” - or words to that effect – “either go out now or he will.” The next person in line waiting for a shift took the cab because the driver who was originally scheduled to take it refused to drive.<sup>915</sup>

- 11.12** Mr Waller said that ‘[t]echnically you are not to take a taxi out until the maintenance is done. But because you are not getting downtime and it is mortgage payment this week or your kids need school shoes you take the cab out and you take the risk’.<sup>916</sup>

### **Occupational health and safety**

- 11.13** The vehicle is a taxi driver’s place of work, and consequently taxi operators have occupational health and safety responsibilities towards drivers, as outlined by the NSW Taxi Council:

The Workers Compensation and Injury Management Act requires taxi operators to maintain workers compensation insurance policies for bailee taxi drivers. Bailee taxi drivers and bailor operators are covered by the normal provisions in relation to workers compensation and injury management that apply to employees and employers. Training provided to taxi drivers and taxi operators covers all aspects of Occupational Health and Safety.<sup>917</sup>

- 11.14** The Transport Workers Union advised that it was concerned that ‘employers do not provide them [drivers] with OHS training and in most cases do not have an OHS policy’.<sup>918</sup> The Transport Workers Union suggested that more needs to be done to improve the OHS standards for taxi drivers:

... appropriate measures to ensure suitable working hours are in place in the industry and that there are appropriate mechanisms in place to ensure compliance. Such measures would support safety for the drivers, their passengers and the general public.<sup>919</sup>

<sup>914</sup> Submission 47, Mr Michael Hatrick, p 5

<sup>915</sup> Mr Waller, Evidence, 2 February 2010, p 68

<sup>916</sup> Mr Waller, Evidence, 2 February 2010, p 69

<sup>917</sup> Submission 42, p 38

<sup>918</sup> Submission 41, Transport Workers Union of NSW, p 2

<sup>919</sup> Submission 41, p 2

**11.15** The Transport Workers Union continued to suggest that there should be ‘a standardised OHS policy for the taxi industry backed by appropriate training delivered by appropriately skilled providers’.<sup>920</sup>

**11.16** However, in the view of the NSW Taxi Council, the training currently provided to taxi drivers is of a high quality:

The NSW Taxi Council believes that the training provided to taxi drivers and taxi operators regarding OHS matters is more extensive than that provided to any other small business operators. The NSW Taxi Council is represented on Workcover’s Transport & Storage Industry Reference Group and regularly runs campaigns for taxi drivers on OHS issues identified as relevant to the broader transport sector.<sup>921</sup>

**11.17** A specific concern in relation to occupational health and safety is driver fatigue, which is often a consequence of shift work. The Transport Workers Union told the Committee about the impact of standard 12 hour shifts:

In addition to these long standard hours employee/bailee drivers state they are encouraged to work semis or reverse semis; for example working a Saturday day shift, a Sunday night shift and Monday day shift. These work practices lead to driver fatigue which creates a risk for the drivers, their passengers and the general public.<sup>922</sup>

**11.18** Mr Ian Faulks also noted the difficulties in preventing drivers from undertaking back to back shifts:

...at present taxi drivers are allocated 12-hour shifts, and there are no effective controls over whether a taxi driver has previously completed a period of work in another job immediately before commencing driving a taxi, or concerning the number of shifts that can be worked by drivers, and the minimum rest time required for drivers between shifts.<sup>923</sup>

### **Risk from passengers**

**11.19** One of the main risks faced by taxi drivers is transporting passengers who may be violent, or under the influence of alcohol or illegal substances. Although taxi drivers have the right to refuse a fare, it may not be possible for a taxi driver to anticipate that problems will arise from carrying a passenger.

**11.20** Mr Christopher Brown, Managing Director, Tourism and Transport Forum observed that taxi drivers are often required to work in difficult conditions:

Their cab is their work environment or office and it deserves to be treated with respect by the passengers who are not late-night drunks or leave a deposit on the back seat or who are not running off without the bill. There is no way cab driving could be described as a glorious profession for the cab driver, particularly those who are not

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<sup>920</sup> Submission 41, p 2

<sup>921</sup> Submission 42, p 38

<sup>922</sup> Submission 41, pp 1-2

<sup>923</sup> Submission 53, p 3

driving their own cabs or Silver Service Monday to Friday, 9.00 a.m. to 5.00 p.m. but those who are filling in the dramatic need, late night pick-up runs from the Cross to the suburbs ...<sup>924</sup>

**11.21** One submission author stated that '[u]ltimately, the NSW taxi industry should not be held accountable in not transporting drunk and in most cases violent individuals who pose a safety risk'.<sup>925</sup>

**11.22** Mr Ted Hirsch, taxi driver, advised the Committee of the risks faced by drivers in transporting some passengers:

Apart from traffic risks which mount up with increasing numbers of 12 hour shifts and fatigue, taxidrivers often face dangers from passengers who are drunk, who happen to be ill disposed, who misunderstand the taxidriver, who disagree with a driver's route or charge etc. Such dangers can culminate in physical violence ...<sup>926</sup>

**11.23** Mr Ernie Mollenhauer, Delegate Nominee, NSW Taxi Drivers Association, said that '[m]any operators choose to lock up their cabs to prevent them from being on the road in those hours because of the risk of damage. Many drivers abandon any prospect of earning money as drivers because of the risk of physical harm':

I have had three windows smashed on the cabs that I drive. I have been assaulted and I have been robbed. It is no wonder that drivers do not want to work those hours in the morning. Picking up strangers in unknown locations with no details about who they are or where they are going makes it quite risky for me.<sup>927</sup>

**11.24** The introduction of more taxi ranks, which may help to reduce instances of anti-social behaviour towards taxi drivers, is discussed in Chapter 5. The issue of fare evasion, which can also jeopardise the safety and security of taxi drivers, is discussed in Chapter 6.

### Vehicle security systems

**11.25** The Committee heard criticisms about the security cameras used in taxis. Concern was expressed about the current regulations pertaining to security systems, as noted by the Australian Taxi Drivers Association:

The Regulations provide that an Authorised Network (at least in the Metropolitan area) must ensure that taxis are fitted with a compliant camera system, and also that an Operator must ensure that a camera system is fitted. Curiously, nowhere are there provisions or penalties to require that the system is functional. There is a penalty for interference such as may impede the proper working, but nothing to ensure that it works.<sup>928</sup>

<sup>924</sup> Mr Christopher Brown, Managing Director, Tourism and Transport Forum, Evidence, 4 February 2010, p 7

<sup>925</sup> Submission 29, Name suppressed, p 13

<sup>926</sup> Submission 54, Mr Ted Hirsch, p 23

<sup>927</sup> Mr Ernie Mollenhauer, Delegate Nominee, NSW Taxi Drivers Association, Evidence, 2 February 2010, p 28

<sup>928</sup> Supplementary Submission 32a, Australian Taxi Drivers Association, p 3

- 11.26** However, the major concern of stakeholders such as the Australian Taxi Drivers Association was that ‘current security systems in NSW taxi-cabs are inadequate’.<sup>929</sup>
- 11.27** The NSW Taxi Drivers Association agreed, observing that ‘[c]amera systems in taxis are outmoded and out of date. There is a distinct shortcoming in the operation of the camera systems. It is very difficult for the operator to access the captured images’.<sup>930</sup>
- 11.28** Mr Michael Jools, President, Australian Taxi Drivers Association outlined his experiences with the in-taxi security systems:

The camera systems do not work. The duress alarm systems do not work. I personally have had examples of where incidents have been reported, downloads have been made and nothing happens because the information does not get through properly. We now have a Government about to bring out new specifications for a taxi security system, which put the State of New South Wales back behind every other State. The new requirements are that a camera in a cab takes a picture once every 10 seconds. It is a minimum standard. In every other State that has been changed. In every other State we have streaming of camera facilities.<sup>931</sup>

### **Improvements to security in the workplace**

- 11.29** The Australian Taxi Drivers Association felt that the new specifications for security cameras were a ‘backwards step’:
- ... in that the minimalist requirements are fundamentally unsound and will promote a cost-saving result rather than an enhancement of driver safety. They are manifestly incomplete as the whole of the ‘downloading’ aspects are not included. From direct personal experience alone, the current system provides no assistance nor effective action to download whatever recorded information may be available ...<sup>932</sup>
- 11.30** Mr Jools suggested that the new equipment ‘is technologically and technically inadequate, insufficient and disadvantaging taxidriviers. It is going to cost lives of taxidriviers’.<sup>933</sup>
- 11.31** Ms Jenny Roberts, General Manager, Lime Taxis observed that a technologically sound security camera would provide protection to both taxi drivers and passengers if the footage is retained for a sufficient length of time:

Recently there has been a draft on security cameras and taxis. Recently it was reported that there were 72 sexual attacks concerning taxidriviers. In the new draft taxis will have seven days of footage. It might take someone who has had an incident in taxi seven days to report that incident, and that footage would have gone. I am not saying

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<sup>929</sup> Submission 32, p 19

<sup>930</sup> Supplementary Submission 46a, NSW Taxi Drivers Association, p 8

<sup>931</sup> Mr Michael Jools, President, Australian Taxi Drivers Association, Evidence, 3 February 2010, pp 23-24

<sup>932</sup> Answers to questions on notice taken during evidence 3 February 2010, Mr Michael Jools, President Australian Taxi Drivers Association, p 5

<sup>933</sup> Mr Jools, Evidence, 3 February 2010, p 32

that every driver is doing the wrong thing. Drivers could be accused of something that they are not doing. I think that the cameras should be there as a protection for drivers and for passengers ... There are issues involving the Privacy Act and things like that but I think everyone wants to be protected. I would prefer to have something that is running all the time and to have that protection.<sup>934</sup>

- 11.32** Mr Jools was also concerned that security footage was not retained for a sufficient period of time:

We want to have that information secure for 100 days so that in the present situations when drivers are accused, or passengers are frightened and need to report, there is a positive record. At the moment those records are overwritten within days and in some cases within hours by inadequate equipment.<sup>935</sup>

- 11.33** However, the NSW Taxi Council was supportive of the new security camera requirements, indicating that ‘the industry has contributed to the development of recently updated security camera standards to ensure new cameras take advantage of latest developments in technology’.<sup>936</sup>

- 11.34** The NSW Taxi Council observed that the NSW taxi industry is ‘continuously upgrading safety related features in taxis’ such that the ‘taxi industry in NSW has been and remains at the forefront of taxi industries around the world in respect to driver safety’:

NSW was among the first in the world to introduce GPS tracking, duress alarms, security cameras, secure taxi ranks and other innovative safety initiatives such as the SecureCab voucher scheme that records passengers’ identity and by improving passenger accountability makes taxi drivers much safer.<sup>937</sup>

- 11.35** Ongoing work to improve driver safety was also noted by the NSW Taxi Council:

A lot of recent work has focussed on initiatives regarding what happens outside the taxi itself. Expansion in the number of secure taxi ranks, simplified reporting of fare evasion via the Police Assistance Line, ongoing campaigns to encourage drivers to report crimes, and the co-ordinated rollout of the Securecab voucher scheme are recent examples.<sup>938</sup>

- 11.36** The NSW Taxi Council further advised that ‘[t]he safety related aspects of the training curriculum for taxi drivers has also undergone a recent review by an independent consultant to ensure it meets expected requirements’.<sup>939</sup>

<sup>934</sup> Ms Jenny Roberts, General Manager, Lime Taxis, Evidence, 2 February 2010, p 54

<sup>935</sup> Mr Jools, Evidence, 3 February 2010, pp 23-24

<sup>936</sup> Submission 42, p 39

<sup>937</sup> Submission 42, p 38

<sup>938</sup> Submission 42, p 39

<sup>939</sup> Submission 42, p 39

- 11.37** NSW Transport and Infrastructure advised that in 2007, Deputy Police Commissioner Dave Madden was commissioned to review safety and security issues that impact on the taxi industry ‘to ensure that the existing regulatory framework (including compliance activities) appropriately protects the safety and security of taxi drivers and passengers’.<sup>940</sup>
- 11.38** As noted in Chapter 2, the Madden report made a number of recommendations in relation to driver safety and security issues. NSW Transport and Infrastructure indicated that these recommendations have been the basis for improvements in taxi security:
- The recommendations of the December 2007 report of the Taxi Safety and Security Taskforce have led to the implementation of a number of improvements to the Passenger Transport Regulation 2007, such as the introduction of a regulatory requirement for security cameras in all Sydney, Newcastle, Wollongong and Central Coast taxis as well as other initiatives, such as the introduction of secure taxi ranks in 41 locations.<sup>941</sup>
- 11.39** Although NSW Transport and Infrastructure advised that the Madden report has led to improvements in driver safety, the Tourism and Transport Forum commented that further efforts could be made in this regard:
- Driver safety is paramount to the quality of working conditions for drivers and service standards for customers. Despite the NSW Taxi Safety Taskforce identifying a range of issues and strategies to address them, concerns about the safety of drivers and passengers remain. The Government should seek to minimise the risk of safety incidents as much as possible and to this effect TTF insists all of the recommendations of the Safety Taskforce be implemented without delay.<sup>942</sup>
- 11.40** Whilst many of the recommendations of the Madden report have been implemented, there are two key recommendations that have yet to be implemented. The first is that the Department review the situation in regard to the pre-payment of taxi fares, and the second is the need for the establishment of a standing body, that includes taxi driver representation, to oversee driver safety initiatives.<sup>943</sup>
- 11.41** The Committee addresses the issue of the pre-payment of fares in Chapter 6, and the issue of a taxi advisory body in Chapter 9.
- 11.42** The Madden report also recommended that NSW Transport and Infrastructure should conduct a review of ‘regulatory requirements and standards relating to taxi driver safety’ every five years.<sup>944</sup> The next review is due to be undertaken in 2012.

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<sup>940</sup> Submission 45, NSW Transport and Infrastructure, p 4

<sup>941</sup> Submission 45, p 4

<sup>942</sup> Submission 56, Tourism and Transport Forum, p 7

<sup>943</sup> Ministry of Transport, *Taxi Industry Safety and Security Taskforce*, Final Report, December 2008, pp 49-50

<sup>944</sup> Ministry of Transport, *Taxi Industry Safety and Security Taskforce*, Final Report, December 2008, p 6

*Committee comment*

- 11.43** The Committee acknowledges the difficult environment in which taxi drivers work. Taxi drivers face a variety of risks, including occupational health and safety risks relating to the roadworthiness of taxis, driver fatigue and transporting passengers who may be under the influence of alcohol or illicit substances.
- 11.44** Whilst these issues are of serious concern to taxi drivers, they can also have significant repercussions for passengers. The Committee considers that ensuring driver and passenger safety should be of paramount importance for the NSW taxi industry.
- 11.45** The Committee believes that the Madden report has resulted in a number of improvements to the safety and security of taxi drivers in their workplace. However, there are several areas where driver and passenger safety can be further improved.
- 11.46** The Committee has made several recommendations that will improve driver and passenger safety, such as the installation of more secure taxi ranks, the introduction of pre-payment of fares for late night journeys, and the re-establishment of a taxi advisory committee. The introduction of more secure ranks and mandatory pre-payment of late night fares will help reduce instances of violence that occur during a journey, while the taxi advisory committee will provide an appropriate forum for the identification of other safety issues.
- 11.47** In addition, the 2012 review of driver safety, as recommended by the Madden report, will allow NSW Transport and Infrastructure to examine the effectiveness of already implemented driver safety schemes, whilst simultaneously identifying further improvements. The Committee encourages NSW Transport and Infrastructure to consult with a wide variety of stakeholders during the upcoming review.
- 11.48** The Committee notes the concerns of some Inquiry participants that the recently introduced standards for security cameras in taxis are behind the standards set by other States. The Committee believes that NSW Transport and Infrastructure should ensure that the most technologically advanced security cameras are installed in all NSW taxis. Further, the Committee considers that the footage gathered by security equipment should be retained for a longer period of time to improve the safety of both drivers and passengers. The Committee is suggesting that 60 days would be a sufficient amount of time for passengers and drivers involved in an incident to report it to the relevant authorities.

**Recommendation 54**

That NSW Transport and Infrastructure review the new specifications for security cameras to ensure that the most technologically advanced cameras are installed in all NSW taxis, and that footage generated by those cameras is retained for a minimum of 60 days.

- 11.49** The Committee also acknowledges the concerns raised by Inquiry participants relating to the roadworthiness of vehicles, and in particular, the pressures faced by taxi drivers to operate a vehicle that they may consider to be unroadworthy.
- 11.50** The Committee notes that under the Passenger Transport Regulation 2007, it is the responsibility of taxi operators, not drivers, to provide a vehicle that is compliant with on-road

standards. The Committee considers that the penalties faced by taxi operators when vehicle defects are identified should be increased, in order to encourage better compliance with vehicle standards and reduce the risks associated with travelling in an unsafe vehicle for both drivers and passengers.

- 11.51** The Committee further notes that its earlier recommendation to conduct an audit of the entire NSW taxi fleet will assist to identify all unroadworthy vehicles and allow action to be taken to address any defects.

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### **Recommendation 55**

That the Minister for Transport pursue an amendment to the Passenger Transport Regulation 2007 to increase the penalties faced by taxi operators if their vehicle is identified as unroadworthy.

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## **Parking and driving regulations**

- 11.52** Inquiry participants highlighted a number of driving and parking regulations that hamper taxi drivers in carrying out their jobs. The ability of taxi drivers to pick-up and set-down passengers, access to transit ways and the system of demerit points, were all raised during the Inquiry.

### **Passenger pick-up and set-down**

- 11.53** Many Inquiry participants noted that the current road and parking regulations often prevent taxi driver from legally stopping to pick-up and set-down passengers. As previously noted in Chapter 8, this issue has a particularly acute impact for users of wheelchair accessible taxis.
- 11.54** Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council said that referred to the lack of legal places to pick-up and set-down passengers as ‘by far and away the biggest issue that drivers come to us about’:

That would outnumber any other form of complaint manyfold, and that happens on a regular basis. In that instance we try and take the matter up - well, we take it up in a whole range of ways but if it is in relation to a particular location we will see if we can work with the local council to try and resolve the problems they are having.<sup>945</sup>

- 11.55** The NSW Taxi Council suggested that ‘[h]igher priority needs to be assigned to the needs of taxi passengers and the issue of how the industry can provide the level of door-to-door service expected:

In many areas, restrictions imposed on stopping create significant problems for taxi drivers in trying to provide the service expected by their passengers. Poor planning decisions during the design phase of major development mean that taxi access is often neglected until after the development has been completed. Major buildings that create

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<sup>945</sup> Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council, Evidence, 31 March 2010, p 27

a constant flow of people wanting to come and go by taxi are often surrounded by ‘no stopping’ or other restricted zones.<sup>946</sup>

- 11.56** The NSW Taxi Drivers Association also highlighted the restrictions faced by taxi drivers in regard to passenger pick-up and set-down:

A major complaint that the taxi drivers have, is that they are not allowed to stop in the city, and at major suburban centres... there is virtually no stopping in the CBD for cabs. Council rangers are pouncing on any cabs doing their job of dropping and picking up passengers. Taxis are obliged on one hand, by one law, to drop and pick up passengers in the CBD. But in doing their job they are breaking another law. *They are booked and fined for doing their job.*<sup>947</sup>

- 11.57** Mr Ahmed commented on the impact of no-stopping and no-standing zones on a driver’s ability to pick-up and set-down passengers:

... Sydney city is a moving city. For a number of reasons people hail a taxi anywhere and get out anywhere. In Sydney city there are no-standing and no-stopping zones, bus zones and this and that, so when we are picking up and dropping passengers anybody can take our number and take our photograph and send a ticket.<sup>948</sup>

- 11.58** The Transport Workers Union also advised that ‘[d]rivers report receiving penalty notices for parking breaches after Infringement Officers have photographed a taxi driver in breach of parking regulations’.<sup>949</sup>

- 11.59** Mr Paul Fletcher, taxi driver, told the Committee that there has been an increase in the number of no-stopping zones, particularly in the central business district:

... areas that forever and a day had been considered safe and legal to pick up and set down passengers have been almost entirely wiped out. ‘No Standing’ zones are non-existent and ‘No Parking’ zones are negligible. Both have been overrun by the questionable ‘No Stopping’ zone. Whilst there are a few exceptions in the CBD it is impossible to provide the service expected by both the passenger and the regulator by picking up and setting down legally.<sup>950</sup>

- 11.60** Mr Fletcher also questioned why taxi drivers are not allowed to pick-up or set-down passengers in bus zones: ‘Why can’t a taxi pick up or set down on a bus zone? ... How do you pick up or set down a frail or disabled person that wants to catch a bus? Very, very few bus zones have an adjacent “No Parking” zone’.<sup>951</sup>

<sup>946</sup> Submission 42, p 42

<sup>947</sup> Submission 46, NSW Taxi Drivers Association, pp 9-10

<sup>948</sup> Mr Ahmed, Evidence, 3 February 2010, p 37

<sup>949</sup> Submission 41, p 2

<sup>950</sup> Submission 44, Mr Paul Fletcher, p 6

<sup>951</sup> Submission 44, p 7

- 11.61** Mr Mollenhauer noted the difficulties that taxi drivers face in balancing the requests of passengers with the current road regulations:

We are required on the one hand by regulation to do as we are bid by our passengers - stop where they tell us and go as directed - and then we are fined for letting passengers get in or get out where they choose. I have been stopped at a red light and I have had a passenger get in. I cannot stop them from getting in; but I can get fined for letting them get in, and I cannot drive away from them ... <sup>952</sup>

- 11.62** Mr Reg Cockburn, owner-operator, Newcastle Taxis, felt that it is inevitable that taxi drivers would breach parking regulations in order to accede to the wishes of their passengers:

Whilst ever there is still humanity and commonsense in any taxi driver there are road and traffic regulations that will be breached in the course of providing a taxi service to the general public. Not every pick up point has an available legal parking space or driveway and not every customer is able bodied. In a purely practical sense it is occasionally necessary to double park or stop in a bus stop in order to pick up an elderly or disabled person or simply because there is no available space to stop at all ... It is not practical to expect that the service can be provided without breaches. There are not enough taxi zones on every street to provide available space to park.<sup>953</sup>

- 11.63** Mr Mollenhauer suggested that restoring 'no standing zones' would overcome many of the challenges faced by taxi drivers in relation to passenger pick-up and set-down:

There are no standing zones that have been phased out by the national body of road rules. If you can restore no standing zones, which specifically permitted or authorised the picking up or setting down of passengers, it would make life a hell of a lot easier for taxidivers. We can use no parking zones to pick up and set down passengers, but when passengers enter or alight at a no stopping zone, we are liable to a huge fine which easily enough could drive cabbies out of the industry.<sup>954</sup>

- 11.64** However, Mr Wielinga noted that important safety concerns must be considered before any changes were made to the relevant regulations, especially in relation to bus lanes:

There are some parts of road networks where it is just inappropriate for taxis to pull up, particularly close to intersections that can be particularly dangerous for pedestrians. We do not like to let them stop in bus lanes because there is concern from bus drivers and others about the safety in those circumstances with people being caught from buses. When you have a look at buses, when you have a look at intersection locations, when you have a look at side vision issues, the opportunities in the central business district area of Sydney are quite difficult.<sup>955</sup>

- 11.65** Referring to these safety concerns, Ms Alison Peters, Director, Council of Social Services of NSW (NCOSS) observed 'no-stopping zones are usually there for a traffic safety reason and

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<sup>952</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 26

<sup>953</sup> Answers to questions on notice taken during evidence 4 February 2010, Mr Reginald Cockburn, owner-operator, Newcastle Taxis, p 2

<sup>954</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 26

<sup>955</sup> Mr Les Wielinga, Director General, NSW Transport and Infrastructure, Evidence, 31 March 2010, p 47

that if you permit one group to stop there it may open the issue up to a range of people wanting to be able to stop in these zones'.<sup>956</sup>

- 11.66** The NSW Taxi Council noted that the conflicting needs of road users must be balanced in increasing accessibility for taxis:

... it is often an issue of conflict between competing interests for valuable curb space. Many local councils place a very high priority on providing on-street parking for their residents and constituents, often at the behest of local business interests in many suburban areas. It is very difficult to get them to forego parking space, and presumably parking meter revenue in other areas, in order to make provision for public transport provided by taxis.<sup>957</sup>

- 11.67** Mr Wielinga acknowledged the difficulties of ensuring safe access for taxis, particularly in the central business district:

... we have got a lot of bus lanes in the central business district, there are a lot of loading zones, we have got places where you have got post office facilities, and those sorts of things and safety issues, where people cannot pull up ... As the city develops and things change we will look for opportunities to improve that situation ... this is tough stuff, acting as a broker between different needs on the road network. It needs to be done sensibly.<sup>958</sup>

- 11.68** Mr Wielinga advised that NSW Transport and Infrastructure were currently reviewing the number of stopping areas for taxis, with the intent of increasing the number of legal stopping areas.<sup>959</sup>

- 11.69** An additional concern related to the use of transit ways by taxis. Mr Mollenhauer advised that taxi drivers are forbidden to use transit ways and that this is 'a particularly sore spot'.<sup>960</sup> The NSW Taxi Drivers Association suggested that taxis should have full access to 'travel along all routes that buses can'.<sup>961</sup>

- 11.70** The Transport Workers Union noted that their members had advocated for better access to transit ways: 'Based on the submissions of our drivers, they have said they would like to see as many advantages as possible over normal private vehicles, so obviously that would be looking at the use of other types of lanes where it is safe and appropriate'.<sup>962</sup>

<sup>956</sup> Answers to questions on notice taken during evidence 3 February 2010, Ms Alison Peters, Director, Council of Social Services of NSW, p 2

<sup>957</sup> Mr Ramshaw, Evidence, 31 March 2010, p 27

<sup>958</sup> Mr Wielinga, Evidence, 31 March 2010, p 47

<sup>959</sup> Mr Wielinga, Evidence, 31 March 2010, p 47

<sup>960</sup> Mr Mollenhauer, Evidence, 2 February 2010, p 27

<sup>961</sup> Submission 46, pp 24-25

<sup>962</sup> Mr Garth Mulholland, Chief Advisor, Transport Workers Union, Evidence, 2 February 2010, p 64

### **The system of demerit points**

- 11.71** The NSW Taxi Drivers Association advised that '[d]emerit points are a bane for taxi drivers. A full time taxi driver is said to drive five times as much as an average driver. In some cases it is more like seven times as much'.<sup>963</sup>
- 11.72** Mr Elias Haddad also noted that taxi drivers who work lengthy hours may 'without realising commit traffic offences that jeopardise his driver's licence'.<sup>964</sup>
- 11.73** One submission author asserted that the current system of demerit points in 'unfair to commercial drivers' who may 'drive up to ten times more kilometres than private motorists each year ... Surely a much more appropriate and fairer fines and points system would be one in which the penalties are on a sliding scale'.<sup>965</sup>
- 11.74** The NSW Taxi Drivers Association suggested that 'taxi drivers be given 24 points over three years. That would take into account the very large numbers of kilometers that a full time taxi driver travels'.<sup>966</sup> The Committee notes that this is double the 12 demerit points that a standard unrestricted licence holder may accumulate over a three year period.
- 11.75** Mr Jools suggested that in the event that a taxi driver accumulated enough demerit points to lose their licence, an option to perform community service in lieu of losing their licence should be offered:

... is that taxi drivers whose licences are in default, due to a series of minor breaches, be given a community service option instead of cancellation of their licences. There are so many drivers who somehow, through minor breaches of the law, accumulate points in excess of the 12 points per year. Rather than chucking them off the road why not give them an opportunity to work it out with community service? That would enable people like the community organisations to get the benefit of drivers rather than lose those drivers.<sup>967</sup>

### ***Committee comment***

- 11.76** The safe pick-up and set-down of passengers is critical to taxi drivers being able to perform their jobs in a timely and responsible manner. Parking restrictions that hinder this process, combined with poor city planning that does not consider taxi access, increase the difficulties faced by drivers in acceding to the wishes of their passengers.
- 11.77** The Committee believes that NSW Transport and Infrastructure, together with the Roads and Traffic Authority, should undertake a review of the current parking regulations that affect taxi services, with the aim of better facilitating the legal pick-up and set-down of passengers. This review should include, but not be limited to, consideration of the use of bus zones, no-stopping zones and no-standing zones for passenger set-down and pick-up.

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<sup>963</sup> Submission 46, pp 22-23

<sup>964</sup> Submission 31, Mr Elias Haddad, pp 1-2

<sup>965</sup> Submission 68, Name suppressed, p 4

<sup>966</sup> Submission 46, pp 22-23

<sup>967</sup> Mr Jools, Evidence, 3 February 2010, p 24

- 11.78** The Committee notes that its earlier recommendations to increase the number of taxi ranks, and to allow drivers to use disabled stopping zones when transporting passengers with disability, will also assist taxi drivers to legally and safely set-down and pick-up passengers.
- 11.79** The Committee further believes that the Roads and Traffic Authority should remove the current restrictions on taxis using transit ways. Allowing taxis to use transit ways will facilitate quicker journeys for passengers, and allow drivers to undertake a greater number of journeys per shift.

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### Recommendation 56

That NSW Transport and Infrastructure, together with the Roads and Traffic Authority, undertake a review of current parking and driving regulations that affect taxi services, with the aim of facilitating greater ease of pick-up and set-down of passengers and enabling taxis to drive along transit ways.

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- 11.80** The Committee appreciates that taxi drivers are exposed to a higher risk of incurring traffic penalties as a result of the increased time that they spend on the road. The Committee also acknowledges that the loss of a licence will have a severe impact on a taxi driver's ability to maintain their employment.
- 11.81** However, the Committee further notes that taxi drivers will only be penalised in the event that they contravene the road rules. The Committee is confident that the majority of taxi drivers drive safely and responsibly, and therefore are unlikely to require a greater number of demerit points than non-professional drivers.

### Insurance issues

- 11.82** The Committee heard that taxi drivers can experience difficulties in regard to the payment of the excess component of insurance. Mr Jools explained:

... the Government and the networks have in fact resolved with the insurers that a driver can now make an insurance claim in the event of an accident using the insurance policy of the operator. That might well be the case but we have had instances where individual drivers have suffered at law, not because they have been asked to pay just the excess but because the operator has failed to make any claim whatsoever ... Yes, a taxi operator must have a policy that indemnifies the driver in the event of an accident and he must pay the excess, but he does not have to make a claim. So in the not infrequent instances where no claim has been made, the insurer goes back to the individual driver and takes him to court ... the wording is that the operator must have a policy that indemnifies the driver – not that he indemnifies the driver. So he has that policy, but he does not exercise it.<sup>968</sup>

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<sup>968</sup> Mr Jools, Evidence, 3 February 2010, pp 25 - 56

- 11.83** The Transport Workers Union advised that this was an issue that has been experienced by their members: ‘Employee/bailee drivers tell us that when they are in at fault accidents they are required by their bailor to pay the applicable excess’.<sup>969</sup> Mr Waller said that drivers often believe that they are solely responsible for the payment of the excess:

... it is sheer ignorance. If a driver comes back and says, “I have just had an accident” and he is at fault, the operator knows he is up for the \$500. So he does not tell them anything. He just says, “You are going to give me \$500.” Some of the more generous ones will say, “I will go you halves, \$250. I am doing you a favour.”<sup>970</sup>

- 11.84** Mr Hatrick noted that this issue is particularly concerning for taxi drivers because of the higher propensity of taxi drivers to be involved in traffic accidents as compared to non-professional drivers. Mr Hatrick further suggested that high insurance costs may be a deterrent for many owner-drivers hiring bailee drivers:

... if drivers were being paid a reasonable amount money as opposed to the unreasonable amount of money they are getting at the moment, you would see things like insurance costs start to fall, because at the moment it is a case of drivers working very often as I do, 70 hours a week, susceptible to numerous accidents. Once those insurance costs are reduced I believe that will lead to a freeing up of a lot of taxis that are being operated significantly by owner drivers who choose not to have bailee drivers working on the opposite shift because they do not want to pay the insurance costs involved in covering themselves for accidents during that duration of the shift.<sup>971</sup>

- 11.85** Some Inquiry participants recommended that a taxi driver should be responsible for the excess in order to encourage responsible driving. One submission author said: ‘In my opinion each taxi driver should be responsible for the excess component of the comprehensive insurance, which makes the driver responsible for his own actions. This will in turn improve driver quality, passenger safety’.<sup>972</sup>

- 11.86** Mr Stewart advised that Southern Highlands Taxi Service requires drivers to be responsible for a limited component of the excess:

We have all of our vehicles insured for third party compulsory insurance and also for third party property insurance. We self-insure when it comes to the comprehensive side of the issue. We do have an excess for drivers should it be their fault. This was introduced some years ago and the excess will run up to \$500. The reason it is there is simply because it is the hip-pocket nerve which conditions them to drive safely and sensibly, and that is the most important thing that we want to achieve. Accidents are very few and far between as a result of our drivers’ negligence – very few – and in fact it has probably been a couple of years since we have had one of that nature. They take care, and that is what we all want. I found before that, when we were picking up the excess all along, there was an attitude of, “Well, it doesn’t matter”...<sup>973</sup>

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<sup>969</sup> Submission 41, p 2

<sup>970</sup> Mr Waller, Evidence, 2 February 2010, p 69

<sup>971</sup> Mr Hatrick, Evidence, 3 February 2010, pp 33 - 34

<sup>972</sup> Submission 55, Name suppressed, pp 2-3

<sup>973</sup> Mr Lawrence Stewart, Director, Southern Highlands Taxi Service, Evidence, 4 February 2010, p 56

*Committee comment*

- 11.87** The Committee is concerned that some taxi drivers may not be aware of their rights and responsibilities concerning the payment of excess on an insurance claim following a traffic accident involving the vehicle that they are driving.
- 11.88** The Committee believes that drivers should be better educated about their rights and responsibilities in regard to all aspects of their employment. The Committee considers that information on insurance issues should be provided as a compulsory component of driver training courses.
- 11.89** The Committee further considers that the NSW Transport and Infrastructure, together with the NSW Taxi Council in its role as licensor of the driver training course, should prepare plain English information pamphlets outlining a driver's rights and responsibilities in regard to insurance issues. These pamphlets should be given to taxi drivers when signing a bailee agreement, and be available at all taxi bases in NSW.

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**Recommendation 57**

That NSW Transport and Infrastructure review the content of the driver training course to include information about insurance rights and responsibilities as a compulsory component of the course.

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**Recommendation 58**

That NSW Transport and Infrastructure send information to all licensed taxi operators reminding them of their obligations in relation to insurance and their responsibilities in relation to insurance excess.

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**Recommendation 59**

That the NSW Transport and Infrastructure prepare plain English information sheets outlining a driver's rights and responsibilities in regard to insurance issues for distribution to drivers.

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## Appendix 1 Submissions

No	Author
1	Mr Adam Johnston
1a	Mr Adam Johnston
2	Mr Robert Deves
3	Mr Bruce Barbour (NSW Ombudsman)
4	Mr Ian Anderson
5	Mr Othmane Hamidi
6	Mr Brett Falkner
7	Mr Geoffrey Coates
8	Mr Michael Bleasdale (People with Disability Australia Incorporated)
9	Mr Wally Connelly (Taxi Drivers' Association of Victoria)
10	Mr Robert Hodge
11	Mr Russell Balding (Sydney Airport)
12	Mr Barry Bell
13	Mr Greg Sweetman
14	Ms Fiona Given and Ms Jordana Goodman (NSW Disability Discrimination Legal Centre Inc and Physical Disability Council of NSW)
15	Mr Kenneth Preece
16	Mr Peter Yeo (Spinal Campaign)
17	Mr William Poulos
18	Mr Raymond Munro
19	Mr Laurie Stewart (Southern Highlands Taxis)
20	Mr Peter Sullivan (Northern Rivers Multiple Sclerosis Network of Care)
21	Ms Vivien Ward
22	Mr John Baxter
23	Mr Murray Wilcockson (Penrith Disabilities Resource Centre Inc)
24	Mr Reg Cockburn
25	Ms Alison Peters (Council of Social Service of New South Wales)
26	Name Suppressed
27	Mr Barry Frost
28	Mr Doug Brooks (Maitland Taxi's)
29	Name Suppressed
30	Dr Peter Abelson
30a	Dr Peter Abelson

<b>No</b>	<b>Author</b>
31	Mr Elias Haddad
32	Mr Michael Jools (Australian Taxi Drivers Association)
32a	Mr Michael Jools (Australian Taxi Drivers Association)
33	Ms Linda Lomman (Northern Rivers Social Development Council)
34	Confidential
35	Mr Patrick Maher (National Disability Services NSW)
36	Name Suppressed
37	Ms Robin Banks (Public Interest Advocacy Centre)
38	Mr James Cox (Independent pricing and Regulatory Tribunal)
39	Ms Sally Fielke (The Australian Hotels Association)
40	Mr Terry Ainworth (SAY Security Group)
41	Mr Garth Mulholland (Transport Workers' Union of NSW)
42	Mr Peter Ramshaw (NSW Taxi Council Ltd)
42a	Mr Peter Ramshaw (NSW Taxi Council Ltd)
43	Mr Andrew Buchanan (Disability Council of NSW)
44	Mr Paul Fletcher
44a	Mr Paul Fletcher
44b	Mr Paul Fletcher
45	Mr Les Wielinga (NSW Transport and Infrastructure)
46	Mr Ernie Mollenhauer (NSW Taxi Drivers' Association)
46a	Mr Ernie Mollenhauer (NSW Taxi Drivers' Association)
47	Mr Michael Hatrick
48	Mr Graham Hoskin
49	Mr Peer Lindholdt (OZ Cabbie)
50	Mr Faruque Ahmed
50a	Mr Faruque Ahmed
50b	Mr Faruque Ahmed
51	Confidential
51a	Confidential
51b	Confidential
52	Mr Graeme Cameron (Taxi Industry Council of Australia)
53	Mr Ian Faulks
54	Mr Ted Hirsch
55	Name Suppressed
56	Mr Kary Petersen (Tourism and Transport Forum)

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<b>No</b>	<b>Author</b>
57	Confidential
58	Confidential
59	Confidential
60	Ms Susan Thompson (Vision Australia)
61	Mr Simon Darcy
62	Mr Sean Lomas (Spinal Cord Injuries Australia)
63	Mr Graham Mooney
64	Ms Melinda Paterson
65	Name Suppressed
66	Mr Chris Voukidis (Gravity)
67	Mr Harold Scruby (Pedestrian Council of Australia Limited)
68	Name Suppressed

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## Appendix 2 Witnesses

<b>Date</b>	<b>Name</b>	<b>Position and Organisation</b>
2 February 2010 Jubilee Room, Parliament House	<b>Mr Peter Ramshaw</b>	Chief Executive Officer, NSW Taxi Council
	<b>Mr Les Wielinga</b>	Director General, NSW Transport and Infrastructure
	<b>Mr Andrew Nicholls</b>	Director, Transport Policy and Reform, NSW Transport and Infrastructure
	<b>Mr Craig Dunn</b>	Director, Transport Operations NSW Transport and Infrastructure
	<b>Ms Anne Turner</b>	President, NSW Taxi Drivers Association
	<b>Mr Trevor Bradley</b>	Treasurer, NSW Taxi Drivers Association
	<b>Mr Ernie Mollenhauer</b>	Delegate, NSW Taxi Drivers Association
	<b>Ms Joanna Shulman</b>	Principal Solicitor, NSW Disability Discrimination Legal Centre
	<b>Ms Jordana Goodman</b>	Policy Officer, Physical Disability Council of NSW
	<b>Ms Jenny Roberts</b>	General Manager, Lime Taxis
	<b>Mr Garth Mulholland</b>	Chief Adviser, Transport Workers Union
	<b>Mr Darcy Waller</b>	Officer, Transport Workers Union
	<b>Mr Graeme Cameron</b>	President Elect, Taxi Industry Council of Australia
3 February 2010 Jubilee Room, Parliament House	<b>Mr Dougie Herd</b>	Executive Officer, Disability Council of NSW
	<b>Ms Alison Peters</b>	Director, Council of Social Services of NSW
	<b>Ms Samantha Edmonds</b>	Deputy Director Policy & Communications, Council of Social Services of NSW
	<b>Mr Michael Jools</b>	President, Australian Taxi Drivers Association
	<b>Mr Faruque Ahmed</b>	Taxi driver
	<b>Mr Michael Hatrick</b>	Taxi driver
	<b>Dr Peter Abelson</b>	Professor, Faculty of Economics and Business, University of Sydney
<b>Ms Elizabeth Simpson</b>	Solicitor, Public Interest Advocacy Centre	

<b>Date</b>	<b>Name</b>	<b>Position and Organisation</b>
<b>4 February 2010</b> <b>Jubilee Room,</b> <b>Parliament House</b>	<b>Mr Christopher Brown</b>	Managing Director, Tourism and Transport Forum
	<b>Mr Kary Peterson</b>	Manager, Transport, Tourism and Transport Forum
	<b>Mr Ted Hirsch</b>	Taxi driver
	<b>Mr Reg Cockburn</b>	Taxi driver
	<b>Mr Greg Killeen</b>	Wheelchairs Accessible Taxi customer
	<b>Mr Adam Johnston</b>	Wheelchairs Accessible Taxi customer
	<b>Mr Laurie Stewart</b>	Director, Southern Highlands Taxis
<b>31 March 2010</b> <b>Jubilee Room,</b> <b>Parliament House</b>	<b>Mr Reginald Kermode</b>	Chief Executive Officer and Chairman, Cabcharge Australia
	<b>Mr Peter Ramshaw</b>	Chief Executive Officer, NSW Taxi Council
	<b>Mr Les Wielinga</b>	Director General, NSW Transport and Infrastructure

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## Appendix 3 Tabled documents

**Tuesday 2 February 2010**

**Public Hearing, Jubilee Room, Parliament House**

- 1 PowerPoint presentation entitled 'NSW Taxi Drivers Association Inc – Upper House Committee of Enquiry into the Taxi Industry' – tabled by Mr Ernie Mollenhauer, Delegate, NSW Taxi Drivers Association
- 2 Industry body publication entitled 'Premier Post – A Publication by Premier Cabs', December 2009/January 2010 edition – tabled by Mr Ernie Mollenhauer, Delegate, NSW Taxi Drivers Association
- 3 Document entitled 'Taxi Industry Accreditation – Setting new standards for the Victorian taxi industry' – tabled by Mr Graeme Cameron, President Elect, Taxi Industry Council of Australia
- 4 Document entitled 'Victorian Taxi Association (Inc) – Constitution and Rules – As amended by special general meeting – 7 October 1992' – tabled by Mr Graeme Cameron, President Elect, Taxi Industry Council of Australia
- 5 Document entitled 'Regulatory Impact Statement for Transport (Driver Accreditation) Regulations 2007, by PriceWaterHouseCoopers dated 9 March 2007' – tabled by Mr Graeme Cameron, President Elect, Taxi Industry Council of Australia
- 6 Document entitled 'Taxicare – A program for Taxi Drivers' – tabled by Mr Graeme Cameron, President Elect, Taxi Industry Council of Australia

**Wednesday 3 February 2010**

**Public Hearing, Jubilee Room, Parliament House**

- 1 Document entitled 'Taxi operator checklist and pay-in sheet – method 1 & method 2' – tabled by Mr Faruque Ahmed, Taxi driver
- 2 Document entitled 'Notes for opening statement by Peter Abelson' – tabled by Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney
- 3 Document entitled '2009 IPART Review of Taxi Fares in NSW, pps. 57 and 63' – tabled by Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney

**Wednesday 31 March 2010**

**Public Hearing, Jubilee Room, Parliament House**

- 1 Transcript from Stateline program entitled '*Cab monopoly*', produced by the Australian Broadcasting Corporation, dated 26 March 2010 – tabled by the Hon Trevor Khan, MLC
- 2 Transcript from Stateline program entitled '*The Monopoly*', produced by the Australian Broadcasting Corporation, dated 8 February 2008 – tabled by the Hon Trevor Khan, MLC

## Appendix 4 Answers to questions on notice

The Committee received answers to questions on notice from:

- 1 Australian Taxi Drivers Association
- 2 Cabcharge Australia
- 3 Council of Social Services of NSW
- 4 Disability Council of NSW
- 5 Dr Peter Abelson
- 6 Lime Taxis
- 7 Mr Adam Johnston
- 8 Mr Faruque Ahmed
- 9 Mr Michael Hatrick
- 10 Mr Reg Cockburn
- 11 Mr Ted Hirsch
- 12 NSW Disability Discrimination Legal Centre
- 13 NSW Taxi Council
- 14 NSW Taxi Drivers Association
- 15 NSW Transport and Infrastructure
- 16 Physical Disability Council of NSW
- 17 Public Interest Advocacy Centre
- 18 Transport Workers Union

## Appendix 5 Number of licence owners, by the number of licences owned (as at February 2010)<sup>974</sup>

Number of licences owned	Number of licence owners	Total licences	Percentage of total licences
1	3803	3803	58%
2	485	970	14.8%
3	135	405	6%
4	46	184	2.8%
5	22	110	1.7%
6	10	60	0.9%
7	6	42	0.6%
8	6	48	0.7%
9	2	18	0.2%
10	3	30	0.5%
11	2	22	0.3%
12	8	96	1.5%
13	4	52	0.8%
14	1	14	0.2%
17	2	34	0.5%
19	1	19	0.3%
20	2	40	0.6%
27	1	27	0.4%
28	1	28	0.4%
29	1	29	0.4%
31	1	31	0.5%
47	1	47	0.7%
57	1	57	0.9%
75	1	75	1.1%
318	1	318	5%
	<b>Total owners: 4,546</b>	<b>Total licences: 6,559</b>	

<sup>974</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Les Wielinga, Director General, NSW Transport and Infrastructure, p 5

## Appendix 6 Number of operators, by the number of licences operated (as at February 2010)<sup>975</sup>

Number of licences operated	Number of operators	Total licences
1	2,713	2,713
2	271	542
3	162	486
4	64	256
5	39	195
6	26	156
7	24	168
8	21	168
9	17	153
10	21	210
11	9	99
12	9	108
13	8	104
14	6	84
15	5	75
17	3	51
18	4	72
19	1	19
20	1	20
21	2	42
22	3	66
23	1	23
24	1	24
25	2	50
26	3	78
27	1	27
28	1	28
29	1	29

<sup>975</sup> Answers to questions on notice taken during evidence 2 February 2010, Mr Les Wielinga, Director General, NSW Transport and Infrastructure, p 6

<b>Number of licences operated</b>	<b>Number of operators</b>	<b>Total licences</b>
30	2	60
34	2	68
35	1	35
37	1	37
38	1	38
44	2	88
46	1	46
48	1	48
	<b>Total operators: 3,430</b>	<b>Total licences: 6,466</b>
		<b>Plates on hold: 93</b>
		<b>Total licences: 6,559</b>

## Appendix 7 Timeline of events for the Nexus scheme<sup>976</sup>

Year	Agency	Event	Number of licences	Comments
1982	Department of Motor Transport	Special Night Licences issued	40	<ul style="list-style-type: none"> <li>• Issued as 9000 Series Restricted Licences, but no pairing with individual WAT licences</li> <li>• Initially issued for one year</li> <li>• No licence fee</li> </ul>
October 1985	Department of Motor Transport	Special Night Licences extended indefinitely	As above	<ul style="list-style-type: none"> <li>• Continued as 9000 Series Restricted Licences</li> <li>• Extended by the then Minister on the basis that their operation will compensate WAT services, but no pairing with individual WAT licences</li> </ul>
December 1985	Department of Motor Transport	Special Night Licences issued	54	<ul style="list-style-type: none"> <li>• Issued as 9000 Series Restricted Licences, but no pairing with individual WAT licences</li> <li>• 52 issued in Sydney</li> <li>• 2 issued in Newcastle</li> <li>• This issue originally effective until 01/12/1986</li> <li>• No licence fee</li> </ul>

<sup>976</sup> Deloitte Touche Tohmatsu, *Administration of the Nexus Scheme*, Final Report, August 2007, pp 12-14

Year	Agency	Event	Number of licences	Comments
1987	Department of Motor Transport	Special Night Licences extended indefinitely	Not applicable	<ul style="list-style-type: none"> <li>• Various internal memorandums refer to earlier decisions that: <ul style="list-style-type: none"> <li>- The then Minister allowed indefinite retention of the December 1985 licence issue to compensate the provision of WAT services</li> <li>- Upgrade from restricted special purpose licences was allowed on payment of a gap fee</li> </ul> </li> <li>• No direct evidence available of these decisions, the numbers of licences upgraded or of any gap fee paid</li> </ul>
1988	Department of Motor Transport	Special Night Licences	Existing licence reissued	<ul style="list-style-type: none"> <li>• 9000 Series conditions document reissued for a licence originally issued in 1985</li> <li>• No reference to a requirement for cross-subsidisation of a WAT</li> </ul>
July 1990	NSW Parliament	Enactment of <i>Passenger Transport Act 1990</i>	Not applicable	<ul style="list-style-type: none"> <li>• Savings and Transitional provisions deem licences issued under the former Act to be licences issued under the Passenger Transport Act and subject to the provisions of the Passenger Transport Act</li> </ul>

Year	Agency	Event	Number of licences	Comments
November 1990	Department of Transport	Nexus and WAT licences issued via tender	12 pairs	<ul style="list-style-type: none"> <li>• Issued as 9000 Series Licence – restricted</li> <li>• Issued via tender in conjunction with paired WAT licence, as consideration for provision of contracted services</li> <li>• Contract for 3 years + 2 year option</li> <li>• First confirmed use of “nexus arrangement” and pairing of Nexus and WAT licences.</li> </ul>
August 1995	Department of Transport	Changes to conditions documents	Not known	<ul style="list-style-type: none"> <li>• Department officers instructed to write to each taxi cooperative varying conditions document, in the public interest, to allow Nexus and WAT licences to be transferred, but only if transferred together and only to another cooperative</li> <li>• Copies of this correspondence is available for some, but not all, cooperatives.</li> </ul>
1995/1996	Department of Transport	Transfer of at least 15 Nexus licences	15	<ul style="list-style-type: none"> <li>• Licences sold at a contract value determined by Department of \$180,000 a pair (\$175,000 Nexus \$5000 WAT)</li> </ul>
1997/1998	NSW Parliament	Enactment of amendments to Act	Not applicable	<ul style="list-style-type: none"> <li>• Among other things, strengthened the Director-General’s ability to impose conditions on a licence</li> </ul>

Year	Agency	Event	Number of licences	Comments
2000/2001	NSW Parliament	Enactment of amendments to Act	Not applicable	<ul style="list-style-type: none"> <li>Among other things, removed requirement that licences (other than short term licences) be transferred</li> </ul>
2003	Ministry of Transport	Internal review of Nexus licences	92	<ul style="list-style-type: none"> <li>Review of Nexus and associated WAT licences, including confirmation by Taxi Networks, concluded that <b>92</b> “paired” Nexus and WAT licences existed</li> </ul>
2004	Ministry of Transport	2004 Taxi Inquiry	Not applicable	<ul style="list-style-type: none"> <li>Inquiry into the NSW taxi industry. Chaired by Allan Cook Recommends investigation of “Nexus Plates”</li> <li>Recommendations used as Terms of Reference for the Deloitte Touche Tohmatsu Report</li> </ul>
2006	Ministry of Transport	Draft WAT Taskforce Report	Not applicable	<ul style="list-style-type: none"> <li>Report recommends various incentives to facilitate an increase in the provision of WAT Services</li> </ul>

## Appendix 8 Distribution of Nexus scheme licences<sup>977</sup>

Network	Nexus licences			WAT licences				Comments
	Total	Operated by network	Leased	Total	Operated by network	Leased	On hold	
ABC	4	-	4	4	4	0	-	
Premier	11	-	11	11	-	11	-	3 leased Nexus licences on-hold
Legion	4	3	1	4	-	4	-	
Northern Districts	2	-	2	2	-	2	-	
St George	6	3	3	6	4	2	-	
RSL	3	1	2	3	1	2	1	
Newcastle	4	4	-	4	4	0	-	
Manly	5	4	1	5	4	1	-	
Western Districts	4	-	4	4	1	3	2	WAT licence operated by Network on-hold
CCN	49	-	49	49	3	46	8	1 WAT licence operated by the network on-hold, and 7 leased on-hold
<b>TOTALS</b>	<b>92</b>	<b>15</b>	<b>77</b>	<b>92</b>	<b>21</b>	<b>71</b>	<b>11</b>	

<sup>977</sup> Deloitte Touche Tohmatsu, *Administration of the Nexus Scheme*, Final Report, February 2007, p 27

## Appendix 9 Key performance indicators

### 1. For Standard Taxis

KPI	Report
KPI1	Number of bookings requested
KPI2	Number of rejections
KPI3	Number of jobs accepted by taxi drivers
KPI4	Average acceptance time KPI4.1 – Average acceptance time without offloads (minutes) KPI4.2 – Average acceptance time for an internal offload <i>(commenced from July 2008)</i>
KPI5	Total number of M3s (no shows)
KPI6	Taxi pick up time
KPI6.1	Pick up in less than 15 minutes
KPI6.2	Pick up within 30 minutes
KPI6.3	Pick up within 60 minutes
KPI6.4	Total taxi pick ups
KPI6.5	Average pick up time
KPI6.5.1	Average pick up time when no offloads (minutes)
KPI6.5.2	Average pick up time with internal offloads (commenced from July 2008)^
KPI7	Number of ringbacks
KPI8	Number of taxis operating on the network
KPI9	Telephone answering
KPI9.1	Number of phone calls received including abandoned calls
KPI9.2	Number of phone calls answered within 1 minute
KPI9.3	Number of phone calls answered within 2 minutes
KPI9.4	Total average answering time (seconds)
KPI9.5	Number of abandoned calls (commenced from July 2008)
KPI10	Average number of radio jobs per month per car
KPI11	Number of bookings offloaded
KPI11.1	Number of bookings offloaded per month
KPI11.2	Number of bookings offloaded and returned as unable to be met
KPI11.3	Number of bookings successfully offloaded
KPI12	No Car Available (NCA)
KPI13	Number of taxis signed on
KPI13.1	Number of taxis signed on at 9.00 am
KPI13.2	Number of taxis signed on at 9.00 pm

**2. For Wheelchair Accessible Taxis**

<b>KPI</b>	<b>Report</b>
KPI1	Number of bookings requested
KPI2	Number of rejections
KPI3	Number of jobs accepted by taxi drivers
KPI4	Average acceptance time KPI4.1 – Average acceptance time without offloads (minutes) KPI4.2 – Average acceptance time for an internal offload <i>(commenced from July 2008)</i>
KPI5	Total number of M3s (no shows)
KPI6	Taxi pick up time
KPI6.1	Pick up in less than 15 minutes
KPI6.2	Pick up within 30 minutes
KPI6.3	Pick up within 60 minutes
KPI6.4	Total taxi pick ups
KPI6.5	Average pick up time
KPI7	Number of ringbacks
KPI8	Number of taxis operating on the network
KPI9	Telephone answering
KPI9.1	Number of phone calls received including abandoned calls
KPI9.2	Number of phone calls answered within 1 minute
KPI9.3	Number of phone calls answered within 2 minutes
KPI9.4	Total average answering time (seconds)
KPI10	Average number of radio jobs per month per car
KPI11	Number of bookings offloaded
KPI11.1	Number of bookings offloaded per month
KPI11.2	Number of bookings offloaded and returned as unable to be met

## Appendix 10

### **Minutes No. 1**

Wednesday 25 November 2009

Select Committee on the NSW Taxi Industry

Room 1102, Parliament House, Sydney, at 2.05 pm

#### **1. The Clerk of the Parliaments opened meeting**

In accordance with standing order 213(1), the Clerk of the Parliaments declared the meeting open at 2.05 pm.

The Clerk tabled the resolution of the Legislative Council of Tuesday 10 November 2009 establishing the Committee.

The Clerk confirmed the membership of the Committee in accordance with the resolution of the Legislative Council of Tuesday 10 November 2009 and the minutes of the House of Thursday 12 November 2009 reporting the Opposition members of the Committee and the minutes of the House of Tuesday 24 November 2009 reporting the Government members of the Committee.

#### **2. Members present**

Mr John Ajaka

Mr Greg Donnelly

Mr Trevor Khan

Ms Lee Rhiannon

Ms Penny Sharpe

Mr Roy Smith

#### **3. Election of Chair**

According to standing order 213(2) the Clerk called for nominations for Chair of the Committee.

Mr Donnelly moved: That Ms Sharpe be elected Chair of the Committee.

Mr Khan moved: That Mr Ajaka be elected Chair of the Committee.

The Clerk informed the Committee that there being two nominations, a ballot would be held.

The Clerk announced the result of the ballot as follows:

Mr Ajaka – 4 votes

Ms Sharpe – 2 votes

Mr Ajaka, having a majority of the members present and voting, was therefore declared elected Chair of the Committee.

Mr Ajaka took the Chair

#### **4. Election of Deputy Chair**

The Chair called for nominations for Deputy Chair.

Mr Khan moved: That Ms Sharpe be elected Deputy Chair of the Committee.

There being no further nominations, the Chair declared Ms Sharpe elected Deputy Chair.

**5. Procedural motions**

Resolved, on the motion of Mr Donnelly: That the Committee authorises the sound and television broadcasting of its public proceedings, in accordance with the resolution of the Legislative Council.

Resolved, on the motion of Ms Rhiannon: That the Secretariat be empowered to publish transcripts of evidence taken at public hearings, in accordance with section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and under the authority of standing orders 223 and 224.

Resolved, on the motion of Mr Donnelly: That media statements on behalf of the Committee be made only by the Chair.

Resolved, on the motion of Mr Khan: That arrangements for inviting witnesses be left in the hands of the Chair and the Secretariat after consultation with the Committee.

**6. Conduct of inquiry**

Resolved, on the motion of Ms Rhiannon: That

- the Committee hold public hearings on Tuesday 2, Wednesday 3 and Thursday 4 February 2010
- the Committee hold a deliberative on Wednesday 31 March 2010 to consider the Chair's draft report.

Resolved, on the motion of Mr Khan: That the Chair of the Committee move a motion in the House seeking an extension of the reporting date to Wednesday 14 April 2010.

Resolved, on the motion of Mr Khan: That

- the closing date for submissions be Friday 22 January 2010
- the inquiry and call for submissions be advertised at the earliest opportunity in the *Sydney Morning Herald*, *Daily Telegraph*, *Meter* and *OzCabbie*.

Resolved, on the motion of Mr Khan: That a press release announcing the commencement of the inquiry and the call for submissions be distributed to media outlets throughout NSW to coincide with the call for submissions.

Resolved, on the motion of Mr Smith: That

- the Secretariat circulate a draft list of inquiry stakeholders to committee members
- the Chair write to the stakeholders identified by the Secretariat, as well as any additional stakeholders identified by Committee members and notified to the Secretariat by 5pm, Wednesday 2 December 2009, and any further stakeholders identified by the Secretariat in consultation with the Chair, informing them of the inquiry and inviting them to make a submission.

**7. Adjournment**

The committee adjourned at 2.25 pm until Thursday 28 January 2010 at 10.00 am.

Rachel Simpson

**Clerk to the Committee**

**Minutes No. 2**

Thursday 28 January 2010

Select Committee on the NSW Taxi Industry

Room 1102, Parliament House, Sydney, at 10.00 am

**1. Members present**

Mr John Ajaka (*Chair*)  
 Ms Penny Sharpe (*Deputy Chair*)  
 Mr Greg Donnelly  
 Mr Trevor Khan  
 Ms Lee Rhiannon  
 Mr Roy Smith

**2. Minutes**

Resolved, on the motion of Mr Donnelly: That draft Minutes No. 1 be confirmed.

**3. Correspondence**

The Committee noted the following items of correspondence:

***Received***

- 19 November 2009 – From Mr Werner Munzberg, expressing displeasure with the proposed reforms to the NSW taxi industry
- 29 November 2009 – From Mr Michael Jools, President of the Australian Taxi Drivers Association, providing extracts of the Passenger Transport Regulation 2007 that relate to the hiring of taxis
- 9 December 2009 – From Mr Adam Johnston, expressing interest in appearing at the Committee's public hearings
- 10 December 2009 – From Mr Brian Cassidy, Chief Executive Officer, Australian Competition & Consumer Commission (ACCC), informing the Committee of relevant proceedings undertaken by the ACCC
- 18 December 2009 – From Mr Robert Waldersee, Executive Director of Corruption Prevention, Education and Research, Independent Commission Against Corruption, providing copies of the 'Report on Corruption in the Provision and Certification of Security Industry Training' and 'Report on Investigation into Schemes to Fraudulently Obtain Building Licenses'
- 24 December 2009 – From Anne Turner, President of the NSW Taxi Drivers' Association, providing background information on the NSW taxi industry
- 5 January 2010 – From Mr Reg Kermod, Chairman and Chief Executive Officer, Cabcharge, declining the Committee's invitation to make a submission to the Inquiry
- 7 January 2010 – From Mr Faruque Ahmed, informing the Committee of issues relating to the NSW taxi industry
- 21 January 2010 – From Ms Anne Turner, President of the NSW Taxi Drivers' Association, requesting an opportunity to appear at the Committee's public hearings
- 24 January 2010 – From Mr Brian Watters, Acting Chief Executive of the Roads and Traffic Authority, advising that the RTA has limited responsibility in relation to taxis and welcoming any recommendations arising from the inquiry.

***Sent***

- 1 December 2009 – From the Chair to the list of stakeholders agreed to by the Committee at the Committee's meeting of 25 November 2009, inviting submissions to the inquiry.

**4. Publication of submissions**

The Committee has received 56 submissions.

Resolved, on the motion of Ms Rhiannon: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of Submissions Nos 3-8, 10-20, 22-28, 30-32 and 32a, 33, 35, 37-41, 43, 45, 47, 52-56.

Resolved, on the motion of Mr Khan: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the partial publication of:

- Submission Nos 1, 1a and 42 with appendices suppressed
- Submission No 46 with appendices and other confidential information suppressed
- Submission Nos 2, 9, 21 and 50 with confidential information suppressed, and
- Submission No 44 with inappropriate language suppressed.

Resolved, on the motion of Ms Rhiannon: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee keep Submission Nos 29, 34 and 51 confidential, at the request of the authors.

Resolved, on the motion of Mr Donnelly: That the Committee defer consideration of the publication of Submission Nos 48 and 49 until the next Committee meeting.

#### **5. Witnesses at public hearings – Tuesday 2, Wednesday 3 and Thursday 4 February**

Resolved, on the motion of Mr Donnelly: That representatives from the following organisations be invited to appear as witnesses during the public hearings on Tuesday 2, Wednesday 3 and Thursday 4 February 2010:

- NSW Transport and Infrastructure
- NSW Taxi Council
- NSW Taxi Industry Association
- Country Taxi Operators Association
- Australian Taxi Industry Association
- NSW Taxi Drivers Association
- Australian Taxi Drivers Association
- Combined Communications Network/Cabcharge (Mr Reg Kermode)
- Non-CCN taxi companies - St George, RSL, Manly Warringah, Premier, Lime
- Professor Des Nicholls (academic, Australian National University)
- Peter Abelson (academic, University of Sydney)
- Disability Council of NSW
- Council of Social Services NSW (NCOSS)
- Public Interest Advocacy Centre
- Physical Disability Council of NSW/NSW Disability Discrimination Legal Centre
- A panel of taxi drivers – selected from submissions received
- A panel of WAT consumers – selected from submissions received
- Taxi Industry Council
- Transport Workers Union
- Mr Paul Bolt, Zero200
- Mr Alan Cook, Chairman, Review of Taxi Industry 2004
- Mr Greg Killen
- Mr Neville Wran, former Premier of NSW
- Mr Bruce Baird, former Minister for Transport
- Mr Carl Scully, former Minister for Transport
- Mr John Watkins, former Minister for Transport
- Mr John Lee, former Director General of Ministry of Transport.

Resolved, on the motion of Ms Sharpe: That at least one rural and one urban-based taxi driver be invited to appear as witnesses during the public hearings.

Resolved, on the motion of Ms Sharpe: That representatives from the Tourism and Transport Forum be invited to appear as witnesses during the public hearings.

Resolved, on the motion of Mr Donnelly: That the Chair write to Mr Reg Kermode, Chairman and CEO of Cabcharge, inviting him to appear as a witness during the public hearings, and advising him that the Committee is prepared to hear his evidence in-camera, and that he may be accompanied by legal counsel, in an advisory capacity.

**6. Questions on notice**

Resolved, on the motion of Mr Donnelly: That for the duration of the Inquiry, witnesses be requested to return answers to questions taken on notice within 21 days of the date on which the questions are forwarded to the witness.

**7. Other business**

The Committee noted Ms Rhiannon's commitments to attend hearings of both the Select Committee on the NSW Taxi Industry and the Joint Standing Committee on Electoral Matters on Tuesday 2 February 2010.

**8. Adjournment**

The Committee adjourned at 10.20 am until 9.15 am Tuesday 2 February 2010.

Rachel Simpson  
Clerk to the Committee

**Minutes No. 3**

Tuesday 2 February 2010  
Select Committee on the NSW Taxi Industry  
Jubilee Room, Parliament House, Sydney, at 9.15am

**1. Members present**

Mr John Ajaka (*Chair*)  
Ms Penny Sharpe (*Deputy Chair*)  
Mr Greg Donnelly  
Mr Trevor Khan  
Ms Lee Rhiannon  
Mr Roy Smith

**2. Minutes**

Resolved, on the motion of Mr Donnelly: That draft Minutes No. 2 be confirmed.

**3. Correspondence**

The Committee noted the following items of correspondence:

***Received***

- 28 January 2010 – to the Director from Ms Sharon Doyle, Company Secretary, Cabcharge, regarding the Committee's invitation to Mr Kermode to attend a hearing
- 29 January 2010 – to the Chair from Mr Faruque Ahmed (submission no.50), requesting an opportunity to appear at the Committee's public hearings

- 1 February 2010 – to the Chair from Ms Sharon Doyle, Company Secretary, Cabcharge, in response to the Committee’s invitation to Mr Kermode to attend a hearing.

***Sent***

- 28 January 2010 - From the Chair to Mr Reg Kermode, Chairman and CEO of Cabcharge Australia, inviting Mr Kermode to appear as a witness during the public hearings, and advising him that the Committee is prepared to hear his evidence in-camera, and that he may be accompanied by legal counsel, in an advisory capacity.

Ms Rhiannon moved: That the Chair write a further letter to Mr Reg Kermode, Chairman and CEO of Cabcharge, inviting him to appear as a witness during the public hearings, and reminding him of the Committee’s power to compel witnesses to appear before the Committee.

Question put.

The Committee divided.

Ayes: Ms Rhiannon

Noes: Mr Ajaka, Mr Donnelly, Mr Khan, Ms Sharpe, Mr Smith.

Question resolved in the negative.

Resolved, on the motion of Mr Smith: That the Committee defer consideration of whether to send a further letter to Mr Reg Kermode, Chairman and CEO of Cabcharge, inviting him to appear as a witness during the public hearings, and reminding him of the Committee’s power to compel witnesses to appear before the Committee, until after the third public hearing of the Committee.

**4. Publication of submissions**

Resolved, on the motion of Mr Donnelly: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of Submissions Nos 60-62.

Resolved, on the motion of Ms Sharpe: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the partial publication of Submission Nos 57 and 58 with appendices suppressed.

Resolved, on the motion of Mr Khan: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee keep Submission No. 59 confidential, at the request of the author.

Resolved, on the motion of Mr Donnelly: That the name and other identifying information of the author of Submission No. 55 be kept confidential at the request of the author.

Resolved, on the motion of Mr Donnelly: That the name and identifying information of the authors of Submission Nos 26 and 36 be kept confidential at the request of the authors.

Resolved, on the motion of Mr Smith: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of Submission No. 29, with the name and identifying information suppressed at the request of the author.

Resolved, on the motion of Mr Donnelly: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of Submission No. 48, and the partial publication of Submission No. 49 with section 4.2 suppressed.

**5. Hearing schedules**

The Committee noted the hearing schedules for 2 February, 3 February and 4 February 2010.

**6. Inquiry into the NSW taxi industry – public hearing**

Witnesses, the public and media were admitted.

The following representative from the NSW Taxi Council was sworn and examined:

- Mr Peter Ramshaw, Chief Executive Officer, NSW Taxi Council.

The evidence concluded and the witness withdrew.

The following representatives from NSW Transport and Infrastructure were sworn and examined:

- Mr Les Wielinga, Director General, NSW Transport and Infrastructure
- Mr Andrew Nicholls, Director, Transport Policy and Reform, NSW Transport and Infrastructure
- Mr Craig Dunn, Director, Transport Operation, NSW Transport and Infrastructure.

The evidence concluded and the witnesses withdrew.

The following representatives from NSW Taxi Drivers' Association were sworn and examined:

- Ms Anne Turner, President, NSW Taxi Drivers' Association
- Mr Trevor Bradley, Treasurer, NSW Taxi Drivers' Association
- Mr Ernie Mollenhauer, Delegate, NSW Taxi Drivers' Association.

Mr Mollenhauer tendered the following documents:

- PowerPoint presentation entitled 'NSW Taxi Drivers Association Inc – Upper House Committee of Enquiry into the Taxi Industry', NSW Taxi Drivers' Association
- additional copies of the submission made to the inquiry by the NSW Taxi Drivers' Association
- industry body publication entitled 'Premier Post – A Publication by Premier Cabs', December 2009/January 2010 edition.

The evidence concluded and the witnesses withdrew.

The following representatives from the NSW Disability Discrimination Legal Centre and Physical Disability Council of NSW were sworn and examined:

- Ms Joanna Shulman, Principal Solicitor, NSW Disability Discrimination Legal Centre
- Ms Jordana Goodman, Policy Officer, Physical Disability Council of NSW.

The evidence concluded and the witnesses withdrew.

The following representative from Lime Taxis was sworn and examined:

- Ms Jenny Roberts, General Manager, Lime Taxis.

The evidence concluded and the witness withdrew.

The following representatives from Transport Workers Union were sworn and examined:

- Mr Garth Mulholland, Chief Advisor, Transport Workers Union
- Mr Darcy Waller, Officer, Transport Workers Union.

Ms Rhiannon left the meeting.

The evidence concluded and the witnesses withdrew.

The following representative from the Taxi Industry Council of Australia was sworn and examined:

- Mr Graeme Cameron, President Elect, Taxi Industry Council of Australia.

Mr Cameron tendered the following documents:

- Taxi Industry Accreditation – Setting new standards for the Victorian taxi industry
- Victorian Taxi Association (Inc) – Constitution and Rules – As amended by special general meeting – 7 October 1992
- Regulatory Impact Statement for Transport (Driver Accreditation) Regulations 2007, by PriceWaterHouseCoopers dated 9 March 2007
- Taxicare – A program for Taxi Drivers.

The evidence concluded and the witness withdrew.

The public hearing concluded.

The public and media withdrew.

**7. Publication of documents tendered during the public hearing**

Resolved, on the motion of Mr Donnelly: That the Committee accept and publish, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1) the following document tendered during the public hearing:

- NSW Taxi Drivers Association Inc – Upper House Committee of Enquiry into the Taxi Industry: PowerPoint presentation from the NSW Taxi Drivers Association
- Victorian Taxi Association (Inc) – Constitution and Rules – As amended by special general meeting – 7 October 1992.

**8. Recall of witnesses**

Mr Khan moved: That Ms Anne Turner, President of the NSW Taxi Drivers Association be re-invited to appear before the Committee.

Question put.

The Committee divided.

Ayes: Mr Ajaka, Mr Khan

Noes: Mr Donnelly, Ms Sharpe, Mr Smith.

Question resolved in the negative.

**9. Additional questions on notice**

Resolved, on the motion of Ms Sharpe: That, for the duration of the inquiry into the NSW taxi industry, additional questions on notice may be lodged with the Secretariat up to two days following the hearings.

**10. Adjournment**

The Committee adjourned at 5.05 pm, until 9.30 am on 3 February 2010.

Rachel Simpson

**Clerk to the Committee**

**Minutes No. 4**

Wednesday 3 February 2010

Select Committee on the NSW Taxi Industry  
Jubilee Room, Parliament House at 9.30 am

**1. Members present**

Mr John Ajaka (*Chair*)  
Ms Penny Sharpe (*Deputy Chair*)  
Mr Greg Donnelly  
Mr Trevor Khan  
Ms Lee Rhiannon  
Mr Roy Smith

**2. Inquiry into the NSW taxi industry – public hearing**

Witnesses, the public and media were admitted.

The following representative from the Disability Council of NSW was sworn and examined:

- Mr Dougie Herd, Executive Officer, Disability Council of NSW.

The evidence concluded and the witness withdrew.

The following representatives from the Council of Social Services of NSW were sworn and examined:

- Ms Alison Peters, Director, Council of Social Services of NSW
- Ms Samantha Edmonds, Deputy Director Policy & Communications, Council of Social Services of NSW.

The evidence concluded and the witnesses withdrew.

The following representative from the Australian Taxi Drivers' Association was sworn and examined:

- Mr Michael Jools, President, Australian Taxi Drivers Association.

The evidence concluded and the witness withdrew.

**3. Deliberative meeting**

Resolved, on the motion of Ms Rhiannon: That

- the Secretariat forward the transcript of evidence from Mr Michael Jools, President, Australian Taxi Drivers Association, to NSW Transport and Infrastructure to allow the Department to respond to comments made by Mr Jools
- the Committee Director seek confirmation from the Clerk regarding the Committee's obligations regarding comments made in evidence by Mr Jools.

**4. Inquiry into the NSW taxi industry – public hearing**

Witnesses, the public and media were admitted.

The following witnesses were sworn and examined:

- Mr Faruque Ahmed, taxi driver
- Mr Michael Hatrick, taxi driver.

Mr Ahmed tendered the 'Taxi operator checklist and pay-in sheet – method 1 & method 2'.

The evidence concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney.

Dr Abelson tendered the following documents:

- Notes for opening statement by Peter Abelson
- 2009 IPART Review of Taxi Fares in NSW, pps. 57 and 63.

The evidence concluded and the witness withdrew.

The following representative from the Public Interest Advocacy Centre was sworn and examined:

- Ms Elizabeth Simpson, Solicitor, Public Interest Advocacy Centre.

The evidence concluded and the witness withdrew.

The public hearing concluded.

The public and media withdrew.

## 5. **Adjournment**

The Committee adjourned at 4.00 pm, until 10.30 am 4 February 2010.

Rachel Simpson

**Clerk to the Committee**

### **Minutes No. 5**

Thursday 4 February 2010

Select Committee on the NSW Taxi Industry

Jubilee Room, Parliament House at 10.30 am

#### 1. **Members present**

Mr John Ajaka (*Chair*)

Ms Penny Sharpe (*Deputy Chair*)

Mr Greg Donnelly

Mr Trevor Khan

Ms Lee Rhiannon

#### 2. **Apology**

Mr Roy Smith

#### 3. **Inquiry into the NSW taxi industry – public hearing**

Witnesses, the public and media were admitted.

The following representatives from Tourism and Transport Forum were sworn and examined:

- Mr Christopher Brown, Managing Director, Tourism and Transport Forum
- Mr Kary Peterson, Manager – Transport, Tourism and Transport Forum.

The evidence concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Ted Hirsch, taxi driver.

The evidence concluded and the witness withdrew.

The following witness was sworn and examined:

- Mr Reg Cockburn, taxi driver.

The evidence concluded and the witness withdrew.

The following witness was sworn and examined:

- Mr Greg Killeen, Wheelchair Accessible Taxi customer.

The evidence concluded and the witness withdrew.

The following witness was sworn and examined:

- Mr Adam Johnston, Wheelchair Accessible Taxi customer.

The evidence concluded and the witness withdrew.

The following representative from Southern Highlands Taxis was sworn and examined:

- Mr Laurie Stewart, Director, Southern Highlands Taxis.

The evidence concluded and the witness withdrew.

The public hearing concluded at 4.30 pm.

The public and media withdrew.

#### 4. Correspondence

The Committee noted the following item of correspondence received:

4 February 2010 – To the Chair from Mr Michael Jools, President, Australian Taxi Drivers Association, clarifying an answer given during evidence at the public hearing on 3 February 2010

Resolved, on the motion of Ms Rhiannon: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and standing order 223(1), the Committee authorise the publication of the correspondence from Mr Jools.

#### 5. Selection of witnesses

Ms Rhiannon moved: That the Chair write a further letter to Mr Reg Kermod, Chairman and CEO of Cabcharge, attaching copies of the transcripts of evidence, to:

- inform him that during the three days of public hearings held by the Committee, a number of witnesses have referred to Cabcharge's involvement in the NSW taxi industry, and
- invite him, or a representative of Cabcharge, to respond to the comments made during the public hearings at a further public hearing to be held by the Committee.

Mr Donnelly moved: That the motion of Ms Rhiannon be amended by inserting 'either in writing or' before the words 'at a further public hearing to be held by the Committee'.

Amendment put.

The Committee divided.

Ayes: Mr Donnelly, Ms Sharpe  
Noes: Mr Ajaka, Mr Khan, Ms Rhiannon.

Question resolved in the negative.

Original question put.

The Committee divided.

Ayes: Mr Ajaka, Mr Khan, Ms Rhiannon  
Noes: Mr Donnelly, Ms Sharpe.

Question resolved in the affirmative.

Resolved, on the motion of Mr Donnelly: That the Committee seek advice from the Clerk regarding the Committee's power to summons a witness.

Resolved, on the motion of Ms Sharpe: That members of the Committee be authorised to seek advice from the relevant members of their party leadership in respect to whether the Committee should use its power to summons a witness during this inquiry.

**6. Advice from the Committee Director**

The Committee Director confirmed the Committee had no obligation to take further action in regards to comments made in evidence by Mr Jools beyond that already taken.

**7. Other business**

Resolved, on the motion of Ms Rhiannon: That the Chair write to Mr Bruce Baird, Mr Jim Glasson, Mr Brian Langton and Mr Neville Wran, inviting them to appear as witnesses before the Committee.

The Chair circulated his proposed list of issues to be addressed in the Committee's report, and asked for members to provide feedback to the Secretariat.

Mr Khan moved: That Mr Les Wielinga and other representatives from NSW Transport and Infrastructure be invited to reappear before the Committee.

Ms Sharpe moved: That the motion of Mr Khan be amended by omitting the words 'Mr Les Wielinga and other representatives from NSW Transport and Infrastructure be invited to reappear before the Committee' and inserting instead 'the Committee defer consideration of inviting Mr Les Wielinga and other representatives from NSW Transport and Infrastructure to reappear before the Committee until after the receipt of answers to questions on notice'.

Amendment put.

The Committee divided.

Ayes: Mr Ajaka, Mr Donnelly, Ms Sharpe  
Noes: Mr Khan, Ms Rhiannon.

Question resolved in the affirmative.

Motion as amended: That the Committee defer consideration of inviting Mr Les Wielinga and other representatives from NSW Transport and Infrastructure to reappear before the Committee until after the receipt of answers to questions on notice, put and passed.

**8. Adjournment**

The Committee adjourned at 5.30 pm *sine die*.

Rachel Simpson

**Clerk to the Committee**

**Minutes No. 6**

Wednesday 24 February 2010

Select Committee on the NSW Taxi Industry

Room 1102, Parliament House at 1.10 pm

**1. Members present**

Mr John Ajaka (*Chair*)

Ms Penny Sharpe (*Deputy Chair*)

Mr Greg Donnelly

Mr Trevor Khan

Ms Lee Rhiannon

Mr Roy Smith

**2. Minutes**

Resolved, on the motion of Ms Rhiannon: That draft Minutes Nos. 3, 4 and 5 be confirmed.

**3. Correspondence**

The Committee noted the following items of correspondence:

***Received***

- 5 February 2010 – Email to the Committee Director from Ms Sharon Doyle, Company Secretary, Cabcharge, in response to the Committee’s invitation to Mr Kermode to appear at a public hearing
- 5 February 2010 – From Dr Khalid Haleem, outlining several areas of concern in relation to the taxi industry
- 5 February 2010 – From Mr Laurie Stewart, Director, Southern Highlands Taxis Hire Cars & Coaches, providing additional information to the Inquiry
- 8 February 2010 – Email to the Committee Director from Ms Sharon Doyle, Company Secretary, Cabcharge, requesting further information on the inquiry process
- 8 February 2010 – From the Hon Neville Wran AC QC, declining the Committee’s invitation to appear as a witness during a public hearing
- 10 February 2010 - From Mr Jim Glasson, declining the Committee’s invitation to appear as a witness during a public hearing
- 11 February 2010 – From Mr Ted Hirsch, elaborating on his concern over the no-stopping policy for taxis
- 15 February 2010 – Letter to the Chair from Ms Sharon Doyle, Company Secretary, Cabcharge, seeking advice on Committee processes
- 15 February 2010 – From the Hon Brian Langton, declining the Committee’s invitation to appear as a witness during a public hearing
- 16 February 2010 – From Mr Adam Johnston, providing answers to questions taken on notice
- 17 February 2010 – From Ms Alison Peters, Director, Council of Social Services of New South Wales, providing answers to questions taken on notice
- 19 February 2010- From the Clerk of the Parliaments, providing advice on the Committee’s power to summons a witness
- 22 February 2010 – From Mr Faruque Ahmed, providing answers to questions taken on notice

- 22 February 2010 – From Mr Ted Hirsch, providing further information on no-stopping zones
- 23 February 2010 – From Mr Bruce Baird, Chairman, Tourism and Transport Forum, declining the Committee's invitation to appear as a witness during a public hearing.

**Sent**

- 5 February 2010 – From the Chair to Mr Bruce Baird, inviting him to appear as a witness during a public hearing
- 5 February 2010 – From the Chair to Mr Jim Glasson, inviting him to appear as a witness during a public hearing
- 5 February 2010 – From the Chair to the Hon Brian Langton, inviting him to appear as a witness during a public hearing
- 5 February 2010 – From the Chair to the Hon Neville Wran AC QC, inviting him to appear as a witness during a public hearing
- 5 February 2010 – From the Chair to Mr Les Wielinga, Director General, NSW Transport and Infrastructure, inviting Mr Wielinga to respond to comments made during the public hearing on Wednesday 3 February 2010
- 5 February 2010 – From the Chair to Mr Reg Kermode, Chairman and CEO of Cabcharge Australia, attaching copies of the transcripts of public hearings, and:
- informing him that during the three days of public hearings held by the Committee, a number of witnesses have referred to Cabcharge's involvement in the NSW taxi industry, and
- inviting him, or a representative of Cabcharge, to respond to the comments made during the public hearings at a further public hearing to be held by the Committee.
- 5 February 2010 – From the Clerk Assistant-Committees to Ms Sharon Doyle, Company Secretary, Cabcharge, in response to Ms Doyle's email of 5 February 2010
- 8 February 2010 – From the Clerk Assistant-Committees to Ms Sharon Doyle, Company Secretary, Cabcharge, in response to Ms Doyle's email of 8 February 2010, providing information on the inquiry process

**4. Consideration of correspondence from Cabcharge and the Clerk's advice**

Resolved, on the motion of Ms Rhiannon: That the Chair write to Mr Reg Kermode, Chairman and CEO of Cabcharge to:

- invite him to appear as a witness, and advising him that the Committee is prepared to hear his evidence in-camera, and that he may be accompanied by legal counsel, in an advisory capacity
- advise that should he not accept the Committee's invitation by Thursday 11 March 2010 to appear voluntarily, the Chair will issue a summons under the *Parliamentary Evidence Act 1901* to attend and give evidence at a future time to be determined by the Committee.

**5. Publication of submissions**

Resolved, on the motion of Mr Donnelly: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the partial publication of Submission No. 63 with paragraphs 7 and 8, the first two sentences of 14, the first sentence of paragraph 16 and paragraph 22 omitted.

Resolved, on the motion of Mr Smith: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of Submission No 64 and Supplementary Submission No. 30a.

Resolved, on the motion of Ms Sharpe: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the partial publication of Supplementary Submission No. 50a with inappropriate language omitted.

Resolved, on the motion of Mr Donnelly: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee keep Supplementary Submission Nos. 51a and 51b confidential, at the request of the author.

Resolved, on the motion of Mr Khan: That Submission Nos. 57 and 58 be kept confidential, at the request of the authors.

**6. Publication of answers to questions on notice**

Resolved, on the motion of Ms Rhiannon: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of the answers to questions on notice from:

- Mr Adam Johnston
- Council of Social Services of NSW
- Mr Faruque Ahmed.

**7. Report outline**

The Committee noted the proposed report outline.

**8. Adjournment**

The Committee adjourned at 1.50 pm until Wednesday 31 March 2010 at 10.00 am in Room 1102 (report deliberative).

Rachel Simpson

**Clerk to the Committee**

**Minutes No. 7**

Tuesday 16 March 2010

Select Committee on the NSW Taxi Industry

Room 1102, Parliament House at 12.30 pm

**1. Members present**

Mr John Ajaka (*Chair*)

Ms Penny Sharpe (*Deputy Chair*)

Mr Greg Donnelly

Mr Trevor Khan (*from 12:40 pm*)

Ms Lee Rhiannon

Mr Roy Smith

**2. Minutes**

Resolved, on the motion of Mr Smith: That draft Minutes No. 6 be confirmed.

**3. Correspondence**

The Committee noted the following items of correspondence:

***Received***

- 24 February 2010 - From Mr Michael Jools, President of the Australian Taxi Drivers Association, providing answers to questions taken on notice
- 25 February 2010 – From Mr Peter Ramshaw, Chief Executive Officer of NSW Taxi Council, providing answers to questions taken on notice

- 26 February 2010 – From Mr Les Wielinga, Director General of NSW Transport and Infrastructure, providing answers to questions taken on notice
- 26 February 2010 – From Mr Les Wielinga, Director General of NSW Transport and Infrastructure, responding to comments made during the public hearing on Wednesday 3 February 2010
- 1 March 2010 – From Ms Jordana Goodman, Policy Officer, Physical Disability Council of NSW, providing answers to questions taken on notice
- 1 March 2010 – From Mr Michael Hatrick, taxi driver, providing answers to questions taken on notice
- 1 March 2010 – From Ms Elizabeth Simpson, solicitor, Public Interest Advocacy Centre, providing answers to questions taken on notice
- 1 March 2010 – From Ms Joanna Shulman, Principal Solicitor and Director, NSW Disability Discrimination Legal Centre Inc, providing answers to questions taken on notice
- 1 March 2010 – From Mr Ted Hirsch, taxi driver, providing answers to questions taken on notice and supplementary information
- 3 March 2010 – From Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney, providing answers to questions taken on notice
- 3 March 2010 – Email to the Committee Director from Ms Sharon Doyle, Company Secretary, Cabcharge, regarding an article published in *The Sydney Morning Herald* on 3 March 2010
- 4 March 2010 – From Mr Owen Ratner, Pigott Stinson Lawyers, legal representative to Mr Reg Kermode, CEO and Chairman of Cabcharge, regarding an article published in *The Sydney Morning Herald* on 3 March 2010
- 5 March 2010 – From Ms Jenny Roberts, General Manager, Network and Administration, Lime Taxis, providing answers to questions taken on notice
- 11 March 2010 – From Mr Garth Mulholland, Chief Adviser, Transport Workers' Union of NSW, providing answers to questions taken on notice
- 11 March 2010 - From Mr John Ralston, Pigott Stinson Lawyers, legal representative to Mr Reg Kermode, CEO and Chairman of Cabcharge, indicating that Mr Kermode agrees to attend the Committee to give evidence on an open basis, without legal representation.

**Sent**

- 25 February 2010 – From the Chair to Mr Reg Kermode, Chairman and CEO of Cabcharge Australia, to:
  - invite him to appear as a witness, and advising him that the Committee is prepared to hear his evidence in-camera, and that he may be accompanied by legal counsel, in an advisory capacity
  - advise that should he not accept the Committee's invitation by Thursday 11 March 2010 to appear voluntarily, the Chair will issue a summons under the Parliamentary Evidence Act 1901 to attend and give evidence at a future time to be determined by the Committee
- 4 March 2010 – From the Chair to Mr Reg Kermode, Chairman and CEO of Cabcharge Australia, in response to Ms Doyle's email of 3 March 2010
- 5 March 2010 – From the Chair to Mr Owen Ratner, in response to Mr Ratner's letter of 4 March 2010.

Resolved, on the motion of Ms Sharpe: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and standing order 223(1), the Committee authorise the publication of correspondence from Mr Les Wielinga, Director General of NSW Transport and Infrastructure, dated 26 February 2010.

Resolved, on the motion of Mr Donnelly: That the Committee defer consideration of the publication of correspondence between the Committee and Cabcharge, until after Mr Kermode has appeared before the Committee.

The Committee noted and considered the publication of an article regarding the inquiry in *The Sydney Morning Herald* on 3 March 2010. No matters arose from the consideration of the article.

#### 4. Additional hearing

Mr Khan joined the meeting.

Resolved, on the motion to Ms Sharpe: That the Committee hold a further hearing on Wednesday 31 March 2010 from 1 pm until 6 pm, to hear evidence from Mr Reg Kermode, CEO and Chairman of Cabcharge Australia, and other witnesses.

Resolved, on the motion of Ms Sharpe: That the Committee invite the following witnesses to reappear at the hearing on Wednesday 31 March 2010:

- NSW Taxi Council
- NSW Transport and Infrastructure.

#### 5. Publication of submissions

Resolved, on the motion of Ms Sharpe: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of Submission Nos. 66 and 67 and Supplementary Submission Nos. 44a, 46a and 50b.

Resolved, on the motion of Mr Khan: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the partial publication of Submission No. 65 with identifying information omitted.

Resolved, on the motion of Ms Sharpe: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the partial publication of Supplementary Submission No. 42a with confidential information omitted.

#### 6. Publication of answers to questions on notice

Resolved, on the motion of Ms Rhiannon: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of the answers to questions on notice from:

- Mr Michael Jools, President, Australian Taxi Drivers Association
- Mr Peter Ramshaw, Chief Executive Office, NSW Taxi Council Ltd
- Ms Jordana Goodman, Policy Officer, Physical Disability Council of New South Wales
- Mr Michael Hatrick, taxi driver
- Ms Elizabeth Simpson, Solicitor, Public Interest Advocacy Centre
- Ms Joanna Shulman, Principal Solicitor, NSW Disability Discrimination Legal Centre
- Mr Ted Hirsch, taxi driver
- Mr Les Wielinga, Director General, NSW Transport and Infrastructure
- Dr Peter Abelson, Professor, Faculty of Economics and Business, University of Sydney
- Ms Jenny Roberts, General Manager, Lime Taxis
- Mr Garth Mulholland, Chief Adviser, Transport Workers' Union of NSW.

#### 7. Extension of reporting date

Resolved, on the motion of Mr Khan: That the Chair seek leave of the House to extend the reporting date to Thursday 10 June 2010.

**8. Other business**

Resolved, on the motion of Mr Khan: That the Committee seek advice from the Clerk regarding the right of a witness to decline to answer a Committee's questions on the basis of sub judice or commercial in confidence.

**9. Adjournment**

The Committee adjourned at 12.55 pm until Wednesday 31 March 2010 at 1.15 pm in the Jubilee Room (public hearing).

Rachel Simpson

**Clerk to the Committee**

**Minutes No. 8**

Wednesday 31 March 2010

Select Committee on the NSW Taxi Industry

Jubilee Room, Parliament House at 1.15 pm

**1. Members present**

Mr John Ajaka (*Chair*)

Ms Penny Sharpe (*Deputy Chair*)

Mr Greg Donnelly

Mr Trevor Khan

Ms Lee Rhiannon

**2. Apology**

Mr Roy Smith

**3. Inquiry into the NSW taxi industry – public hearing**

Witnesses, the public and media were admitted.

The Chair made a statement regarding the broadcasting of proceedings and other matters.

The following representative from Cabcharge Australia was sworn and examined:

- Mr Reginald Kermode, Chief Executive Officer and Chairman, Cabcharge Australia.

Mr Khan tendered the following documents:

- Transcript from Stateline program entitled '*Cab monopoly*', produced by the Australian Broadcasting Corporation, dated 26 March 2010
- Transcript from Stateline program entitled '*The Monopoly*', produced by the Australian Broadcasting Corporation, dated 8 February 2008.

The evidence concluded and the witness withdrew.

The following representative from the NSW Taxi Council was examined on his former oath:

- Mr Peter Ramshaw, Chief Executive Officer.

The evidence concluded and the witness withdrew.

The following representative from NSW Transport and Infrastructure was examined on his former oath:

- Mr Les Wielinga, Director General.

The evidence concluded and the witness withdrew.

The public hearing concluded at 5.10 pm.

The public and media withdrew.

#### 4. Minutes

Resolved, on the motion of Mr Donnelly: That draft Minutes No. 7 be confirmed.

#### 5. Correspondence

The Committee noted the following items of correspondence:

##### *Received*

- 15 March 2010 - From Mr Reg Cockburn, owner-operator, Newcastle Taxis, providing answers to questions taken on notice
- 17 March 2010 – From Ms Catherine Reilly, Manager, Strategic Policy and Projects, NSW Transport and Infrastructure, to the Committee Secretariat, providing information on the number of accredited taxi operators and authorised WAT drivers
- 18 March 2010 – From Ms Dominique Winn, Strategic Policy and Projects, NSW Transport and Infrastructure, to the Committee Secretariat, providing information on the Taxi Transport Subsidy Scheme
- 23 March 2010 – From Mr Owen Ratner, Pigott Stinson Lawyers, legal representative to Mr Reg Kermodé, CEO and Chairman of Cabcharge, confirming Mr Kermodé's availability to attend the public hearing on 31 March 2010
- 26 March 2010 – From Mr Trevor Bradley, Acting Secretary, NSW Taxi Drivers' Association, providing answers to questions taken on notice
- 30 March 2010 – From Mr Dougie Herd, Executive Officer, Disability Council of NSW, providing answers to questions on notice
- 31 March 2010 – From Mr Ron Haile, St George Cabs, raising concerns about the future availability of Peak Availability Licences (PAL plates)
- 31 March 2010 – From Mr Russell Howarth, Managing Director, Eco Taxi Pty Ltd, explaining his involvement in taxi industry and offering to provide further information.

##### *Sent*

- 16 March 2010 – From the Chair to Mr Owen Ratner, Pigott Stinson Lawyers, legal representative to Mr Reg Kermodé, CEO and Chairman of Cabcharge, requesting confirmation of Mr Reg Kermodé's availability for a public hearing on 31 March 2010.

Resolved, on the motion of Mr Khan: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of correspondence between the Committee and Cabcharge Australia, or their legal representatives.

#### 6. Publication of submission

Resolved, on the motion of Mr Donnelly: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of Supplementary Submission No. 44b.

#### 7. Publication of answers to questions on notice

Resolved, on the motion of Ms Rhiannon: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of the answers to questions on notice from:

- Mr Reg Cockburn, owner-operator, Newcastle Taxis

- NSW Taxi Drivers' Association
- Disability Council of NSW.

#### 8. **Publication of documents tendered during the public hearing**

Resolved, on the motion of Ms Sharpe: That the Committee accept and publish, according to section 4 of the Parliamentary Papers (*Supplementary Provisions*) Act 1975 and Standing Order 223(1) the following documents tendered during the public hearing:

- Transcript from Stateline program entitled '*Cab monopoly*', produced by the Australian Broadcasting Corporation, dated 26 March 2010
- Transcript from Stateline program entitled '*The Monopoly*', produced by the Australian Broadcasting Corporation, dated 8 February 2008.

The Committee expressed its appreciation to the Secretariat for their preparation for the public hearings for this Inquiry.

#### 9. **Adjournment**

The Committee adjourned at 5.15 pm *sine die*.

Rachel Simpson

**Clerk to the Committee**

#### **Minutes No. 9**

Tuesday 11 May 2010

Select Committee on the NSW Taxi Industry

Members Lounge, Parliament House at 6.30 pm

#### 1. **Members present**

Mr John Ajaka (*Chair*)

Ms Penny Sharpe (*Deputy Chair*)

Mr Greg Donnelly

Mr Trevor Khan

Ms Lee Rhiannon

Mr Roy Smith

#### 2. **Minutes**

Resolved, on the motion of Mr Donnelly: That draft Minutes No. 8 be confirmed.

#### 3. **Correspondence**

The Committee noted the following items of correspondence:

##### ***Received***

- 31 March 2010 - From Mr Faruque Ahmed, informing the Committee of issues relating to the NSW taxi industry
- 1 April 2010 – From Mr Peter Ramshaw, Chief Executive Officer of the NSW Taxi Council to the Chair, regarding evidence given during the public hearing on 31 March 2010
- 2 April 2010 – From Mr Faruque Ahmed, informing the Committee of issues relating to the NSW taxi industry
- 7 April 2010 – From Mr Dougie Herd, Executive Officer of Office of the Disability Council of NSW, regarding answers to questions taken on notice
- 8 April 2010 – From Mr Ernie Mollenhauer, Delegate of NSW Taxi Drivers Association, advising of recent changes to the requirements for console and floor emergency switches

- 8 April 2010 – From Mr Owen Ratner, Pigott Stinson Lawyers, legal representative to Mr Reg Kermode, CEO and Chairman of Cabcharge, regarding Mr Kermode’s appearance before the Committee
- 10 April 2010 – From Mr Faruque Ahmed, informing the Committee of issues relating to the NSW taxi industry
- 21 April 2010 – From Mr Ron Haile, General Manager, St George Cabs, to Committee raising their concerns over Peak Availability Licences plates which expire in the 2010-11 financial year
- 28 April 2010 – From Mr Peter Ramshaw, Chief Executive Officer of the NSW Taxi Council, providing answers to questions taken on notice
- 28 April 2010 – From Mr Reg Kermode, CEO and Chairman of Cabcharge, providing answers to questions taken on notice
- 30 April 2010 – From Mr Les Wielinga, Director General, NSW Transport and Infrastructure, providing answers to questions taken on notice
- 7 May 2010 – From Mr Reg Kermode, CEO and Chairman of Cabcharge, providing additional answers to questions taken on notice.

**Sent**

- 1 April 2010 – From Committee Director to Mr Peter Ramshaw, Chief Executive Officer of the NSW Taxi Council, in response to his email of 1 April 2010
- 30 April 2010 – From Committee Director to Mr Reg Kermode, CEO and Chairman of Cabcharge, in response to his letter providing answers to questions on notice.

Resolved, on the motion of Ms Rhiannon: That the Committee write to Mr Owen Ratner, Pigott Stinson Lawyers, legal representative to Mr Reg Kermode, CEO and Chairman of Cabcharge, to advise that the Committee has considered his correspondence dated 8 April 2010.

Resolved, on the motion of Ms Rhiannon: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee has authorised the publication of correspondence between the Committee and Pigott Stintson.

**4. Publication of submission**

Resolved, on the motion of Mr Donnelly: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the partial publication of Submission No. 68 with identifying information omitted.

**5. Publication of answers to questions on notice**

Resolved, on the motion of Ms Sharpe: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of the answers to questions on notice from NSW Transport and Infrastructure.

Resolved, on the motion of Mr Khan: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the partial publication of the answers to questions on notice, with confidential information omitted, from:

- NSW Taxi Council
- Cabcharge.

**6. Answers to questions on notice – Cabcharge**

Resolved on the motion of Mr Khan: That

- Questions on Notice 1, 2 and 4 from Mr Khan to Mr Kermode arising from the hearing on 31 March 2010 are within the terms of reference for the inquiry and the Committee does require an answer

- The Chair issue a summons under the Parliamentary Evidence Act 1901 to Mr Kermode to attend a hearing on 21 May 2010 to give further evidence and provide answers to the unanswered questions
- If Mr Kermode provides sufficiently detailed answers to the questions by 12pm Wednesday 19 May 2010, the Committee not proceed with the hearing on 21 May 2010
- That the Committee meet at the dinner break or at the rising of the House on Wednesday 19 May 2010 to consider any answers provided by Mr Kermode
- That the Chair write to Mr Kermode advising him of the Committee's decisions and that the tight time frame reflects the Committee's obligation to report to the House by 10 June 2010.

## 7. Adjournment

The Committee adjourned at 6.50 pm until Wednesday 19 May 2010 at the dinner break, or when the House rises, in the Members Lounge.

Rachel Simpson  
**Clerk to the Committee**

### Minutes No. 10

Tuesday 18 May 2010  
Select Committee on the NSW Taxi Industry  
Members Lounge, Parliament House at 2.20 pm

#### 1. Members present

Mr John Ajaka (*Chair*)  
Ms Penny Sharpe (*Deputy Chair*)  
Mr Greg Donnelly  
Mr Trevor Khan  
Ms Lee Rhiannon  
Mr Roy Smith

#### 2. Correspondence

The Committee noted the following item of correspondence received:

- 17 May 2010 – From Mr Reg Kermode, CEO and Chairman of Cabcharge, providing additional answers to questions on notice

#### 3. Consideration of correspondence from Cabcharge

Resolved, on the motion of Ms Sharpe: That the answers provided by Mr Reg Kermode, CEO and Chairman of Cabcharge, are sufficiently detailed answers.

Resolved, on the motion of Mr Smith: That the Committee not proceed with the hearing on Friday 21 May 2010, and that the summons to Mr Kermode will therefore lapse.

Mr Khan joined the meeting.

Mr Donnelly joined the meeting.

Mr Smith moved: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the partial publication of the answers to questions on notice from Cabcharge Australia, with confidential information in Appendix A omitted.

Mr Khan moved: That the motion of Mr Smith be amended by omitting the words 'partial publication of the answers to questions on notice from Cabcharge Australia, with confidential information in Appendix

A omitted' and inserting instead 'publication of the answers to questions on notice from Cabcharge Australia'.

Question put.

The Committee divided.

Ayes: Mr Ajaka, Mr Khan, Ms Rhiannon  
Noes: Mr Donnelly, Ms Sharpe, Mr Smith

Question resolved in the affirmative on the casting vote of the Chair.

Original question, as amended, put and passed.

Resolved, on the motion of Ms Rhiannon: That the Chair write to Mr Kermode advising him of the Committee's decision, and following the meeting, the Director advise Mr Kermode of the Committee's decision by telephone.

#### 4. **Adjournment**

The Committee adjourned at 2.30 pm until Friday 21 May 2010 at 11.00 am in Room 1102.

Rachel Simpson  
**Clerk to the Committee**

#### **Minutes No. 11**

Friday 21 May 2010  
Select Committee on the NSW Taxi Industry  
Room 1102, Parliament House at 11.00 am

#### 1. **Members present**

Mr John Ajaka (*Chair*)  
Ms Penny Sharpe (*Deputy Chair*)  
Mr Greg Donnelly  
Mr Trevor Khan (*from 11.10am*)  
Ms Lee Rhiannon  
Mr Roy Smith

#### 2. **Minutes**

Resolved, on the motion of Ms Sharpe: That draft Minutes Nos. 9 and 10 be confirmed.

#### 3. **Correspondence**

The Committee noted the following item of correspondence received:

##### ***Received***

- 13 May 2010 – From Mr Les Wielinga, Director General, NSW Transport and Infrastructure, providing additional answers to questions on notice.

##### ***Sent***

- 13 May 2010 – From the Chair to Mr Reg Kermode, CEO and Chairman of Cabcharge, in response to his letter providing answers to questions on notice

- 3 May 2010 – From the Chair to Mr Kim Smith, Director, Department of Parliamentary Services, Parliament House, requesting witness allowance of \$188 to be paid to Mr Reg Kermode, Chairman and CEO, Cabcharge Australia, for appearing before the Committee
- 13 May 2010 – From the Chair to Piggott Stinson, responding to their letter dated 8 April 2010
- 19 May 2010 – From the Chair to Mr Reg Kermode, CEO and Chairman of Cabcharge, advising of the Committee’s decision in regard to answers to questions on notice provided by Cabcharge Australia
- 19 May 2010 – From the Director to Mr Kim Smith, Director, Department of Parliamentary Services, Parliament House, requesting that the witness allowance of \$188 issued to Mr Reg Kermode, Chairman and CEO, Cabcharge Australia, be voided.

**4. Publication of answers to questions on notice**

Resolved, on the motion of Mr Donnelly: That, according to section 4 of *the Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the publication of the answers to questions on notice from NSW Transport and Infrastructure.

**5. Chair’s draft report**

Resolved, on the motion of Ms Sharpe: That the Chair’s amendments to paragraphs 4.80, 6.48 and 6.78 be incorporated into the Chair’s draft report to be considered at the meeting.

**6. Consideration of draft report – inquiry into the NSW taxi industry**

The Chair tabled his draft report entitled NSW taxi industry, which having been previously circulated, was taken as being read.

Chapter 1 read

Resolved, on the motion of Mr Donnelly: That Chapter 1 be adopted.

Mr Khan joined the meeting.

Chapter 2 read

Resolved, on the motion of Ms Sharpe: That Chapter 2 be adopted.

Chapter 3 read

Resolved on the motion of Mr Donnelly: That Recommendation 1 be adopted.

Resolved on the motion of Mr Donnelly: That Recommendation 2 be adopted.

Resolved on the motion of Mr Smith: That the Recommendation 3 be amended by omitting the words ‘consider adopting’ and inserting instead ‘adopt’.

Resolved on the motion of Mr Smith: That Recommendation 3, as amended, to be adopted.

Resolved on the motion of Ms Sharpe: That Recommendation 4 be amended by omitting the words ‘consider the merits of establishing’ and inserting instead ‘investigate the establishment of’.

Resolved on the motion of Mr Khan: That Recommendation 4, as amended, to be adopted.

Resolved on the motion of Ms Rhiannon: That Recommendation 5 be amended by inserting after the word ‘New South Wales’ the words ‘and officers be provided with a comprehensive compliance checklist’.

Resolved on the motion of Ms Rhiannon: That Recommendation 5, as amended, be adopted.

Resolved on the motion of Mr Donnelly: That Recommendation 6 be adopted.

Resolved, on the motion of Ms Sharpe: That Chapter 3, as amended, be adopted.

Chapter 4 read.

Mr Donnelly moved: That Recommendation 7 be adopted.

Question put.

The Committee divided.

Ayes: Mr Ajaka, Mr Donnelly, Ms Sharpe

Noes: Mr Khan, Ms Rhiannon, Mr Smith

Question resolved in the affirmative on the casting vote of the Chair.

Resolved on the motion of Ms Sharpe: That Recommendation 8 be amended by inserting after the word 'day' the words 'and that taxi networks have a redirect mechanism for out of area bookings'.

Resolved on the motion of Ms Sharpe: That Recommendation 8, as amended, to be adopted.

Resolved, on the motion of Mr Donnelly: That paragraph 4.92 be amended by omitting the word 'further'.

Resolved, on the motion of Mr Khan: That paragraph 4.92 be amended by inserting after the words 'taxi industry' the words 'and encouraging the entry of new taxi networks into the industry'.

Resolved, on the motion of Mr Khan: That paragraph 4.92 be amended by omitting the word 'encouraging' and inserting instead the word 'promoting'.

Resolved on the motion of Mr Khan: That Recommendation 9 be amended by inserting after the words 'taxi industry' the words 'and encouraging the entry of new taxi networks into the industry'.

Resolved on the motion of Mr Khan: That Recommendation 9, as amended, be adopted.

Resolved, on the motion of Mr Donnelly: That Chapter 4, as amended, be adopted.

Chapter 5 read.

Resolved on the motion of Mr Khan: That Recommendation 10 be amended by omitting the words 'consider introducing' and inserting instead the word 'introduce', and by inserting the words 'and regulations' after the word 'conditions'.

Resolved on the motion of Mr Khan: That Recommendation 10, as amended, be adopted.

Resolved on the motion of Ms Sharpe: That Recommendation 11 be adopted.

Resolved on the motion of Ms Sharpe: That Recommendation 12 be adopted.

Resolved on the motion of Ms Sharpe: That paragraph 5.75 and Recommendation 13 be omitted, which read:

- 5.75 The Committee believes that there is merit in the suggestion that a single booking desk be created for the Sydney Metropolitan Area. A single booking desk, operating in a similar fashion to the Zero200 booking service for wheelchair accessible taxis, would allow passengers access to the entire Sydney fleet of taxis, and facilitate a quicker response to bookings. The Committee considers that NSW Transport and Infrastructure should investigate the feasibility of establishing a single booking desk, noting that such a fundamental change to the industry would require extensive stakeholder consultation.

**Recommendation 13**

That NSW Transport and Infrastructure investigate the feasibility of establishing a single booking desk for the Sydney Metropolitan Transport District.

Resolved on the motion of Mr Khan: That paragraph 5.76 be amended by omitting the last sentence that reads ‘This can compromise the safety and security of passengers.’

Resolved on the motion of Ms Sharpe: That paragraph 5.77 be amended by omitting the last sentence that reads ‘However, the Committee cannot condone trunk-booking networks as an alternative to booking networks, given that the trunk networks contravene regulations that are in place to ensure the safety of both passengers and drivers.’

Resolved, on the motion of Ms Sharpe: That the word ‘also’ be omitted from paragraph 5.78.

Resolved on the motion of Mr Khan: That Recommendation 14 be adopted.

Resolved on the motion of Ms Sharpe: That Recommendation 15 be adopted.

Resolved, on the motion of Mr Smith: That Chapter 5, as amended, be adopted.

Chapter 6 read

Resolved on the motion of Ms Sharpe: That Recommendation 16 be adopted.

Resolved on the motion of Mr Donnelly: That Recommendation 17 be adopted.

Resolved on the motion of Mr Khan: That Recommendation 18 be adopted.

Resolved, on the motion of Ms Sharpe: That paragraph 6.43 be amended by omitting the words ‘the suggestion from the NSW Taxi Drivers Association’ and inserting instead the words ‘a premium fare system’.

Resolved on the motion of Ms Sharpe: That paragraph 6.44 and Recommendation 19 be omitted, which read:

- 6.44 The Committee believes that the proposal from the NSW Taxi Council, whereby passengers can opt to pay a higher, regulated fare to receive a better level of service, may have merit. Such a system would allow passengers to make an informed decision to pay for better service, whilst ensuring that the transport needs of passengers not electing to pay the higher fare continue to be met. The Committee further believes that as drivers will be expected to offer higher services levels when undertaking premium fares, a significant percentage of this fare should be directed to drivers rather than wholly retained by networks.

**Recommendation 19**

That NSW Transport and Infrastructure explore the merits of establishing a regulated premium fare system, operated through taxi networks, whereby passengers can choose to pay a premium fare to receive

a higher standard of taxi service, and the income generated by premium fares is shared between taxi drivers and networks.

Resolved on the motion of Mr Khan: That paragraph 6.92 be amended by omitting the second sentence that reads 'The Committee remains unclear as to why a surcharge of 10 per cent is levied on the electronic payment of taxi fares when passengers use debit, credit or Cabcharge cards' and inserting instead a new sentence to read 'The evidence reveals the 10 per cent fee was an historical charge for the provision of credit. What has occurred with the introduction of the electronic payment systems is that the existing 10 per cent surcharge has then been applied as a transaction fee on electronic payments', and by omitting the word 'seems' and inserting instead the word 'is'.

Resolved on the motion of Mr Khan: That paragraph 6.93 be amended by omitting the final sentence that reads 'However, the Committee was unable to ascertain how these costs correlate with historical practice, and therefore make an assessment of the appropriateness of the 10 per cent surcharge'.

Resolved on the motion of Mr Khan: That paragraph 6.95 be amended by omitting the words 'is currently involved in legal proceedings' and inserting instead the words 'has commenced legal proceedings in the Federal Court'.

Resolved on the motion of Mr Khan: That a new recommendation be inserted after Recommendation 20 to read 'That NSW Transport and Infrastructure investigate whether there are actions that can be undertaken by the Department to regulate electronic transaction fees within the NSW taxi industry'.

Resolved on the motion of Mr Donnelly: That Recommendation 20 be amended by inserting the words 'in light of general level of service fees charged across various industries' after the word 'review'.

Resolved on the motion of Mr Donnelly: That Recommendation 20, as amended, to be adopted.

Resolved on the motion of Ms Rhiannon: That a new recommendation be inserted after Recommendation 20 to read 'That a feasibility study be undertaken into a NSW government-run licensed and regulated payment system that is part of the planned integrated public transport ticketing system'.

Resolved on the motion of Mr Khan: That Chapter 6, as amended, be adopted.

Chapter 7 read.

Resolved on the motion of Ms Sharpe: That Recommendation 21 be amended by omitting the words 'undertake research to determine the current and future demand for accessible taxi services in Sydney, and in regional and rural NSW' and inserted instead the words 'develop a 10-year plan to increase the percentage of wheelchair accessible taxis from the current 11 per cent to a minimum of 50 per cent of the NSW taxi fleet, and that where there is only one licensed taxi in a geographic area, it must be a wheelchair accessible taxi'.

Resolved on the motion of Ms Sharpe: That Recommendation 21, as amended, be adopted.

Resolved, on the motion of Ms Sharpe: That Recommendation 22 be adopted.

Resolved, on the motion of Mr Khan: That Recommendation 23 be adopted.

Resolved, on the motion of Ms Sharpe: That Recommendation 24 be amended by omitting the word 'monthly' and inserting instead the words 'six-monthly'.

Resolved on the motion of Ms Sharpe: That Recommendation 24, as amended, be adopted.

Resolved on the motion of Ms Rhiannon: That the following a new recommendation be inserted before Recommendation 25 to read 'That NSW Transport and Infrastructure immediately implement a revised Wheelchair Accessible Taxi Measurement Protocol, based on the three dimensional cube'.

Resolved, on the motion of Mr Khan: That Recommendation 25 be amended by omitting the words 'non-compliant' and inserting after the word 'vehicles' the words 'that are non-compliant with the Disability Standards for Accessible Public Transport' and omitting the words 'consider providing financial assistance to operators of non-compliant vehicles to modify their vehicle to meet the Disability Standards for Accessible Public Transport' and inserting instead the words 'revoke the wheelchair accessible taxi licence if the vehicle is still non-compliant within three years'.

Resolved, on the motion of Mr Khan: That Recommendation 25, as amended, be adopted.

Resolved, on the motion of Mr Khan: That a new recommendation be inserted after Recommendation 25 to read 'That NSW Transport and Infrastructure provide financial incentives to operators of non-compliant vehicles to modify their vehicle to meet the Disability Standards for Accessible Public Transport as soon as possible'.

Resolved, on the motion of Ms Rhiannon: That Recommendation 26 be amended by omitting the words 'random audit of a sample' and inserting instead the word 'inspection', and by inserting after the words 'Public Transport' the words 'and the regulations'.

Resolved on the motion of Ms Rhiannon: That Recommendation 26, as amended, be adopted.

Resolved on the motion of Ms Rhiannon: That Chapter 7, as amended, be adopted.

Chapter 8 read

Mr Khan left the meeting.

Resolved, on the motion of Ms Sharpe: That paragraph 8.27 be amended by omitting the words 'consideration should be given to' and inserting instead the words 'more research should be undertaken into'.

Resolved, on the motion of Ms Rhiannon: That a paragraph be inserted outlining NCOSS's suggested 20 cent per trip levy to fund the development of a universally accessible taxi fleet.

Resolved, on the motion of Ms Rhiannon: That Recommendation 27 be amended by inserting after the word 'Australia' the words 'and as part of this study examine ways in which the standard taxi fleet can be upgraded to be wheelchair accessible taxi compliant, including financial incentives'.

Resolved on the motion of Ms Rhiannon: That Recommendation 27, as amended, be adopted.

Resolved on the motion of Ms Sharpe: That Recommendation 28 be amend by omitting the word 'develop' and inserting instead the words 'create and implement'.

Resolved on the motion of Ms Sharpe: That Recommendation 28, as amended, be adopted.

Resolved, on the motion of Ms Sharpe: That paragraph 8.51 be amended by omitting the word 'should' and inserting instead the word 'could', and by omitting the word 'will' and inserting instead the word 'could'.

Resolved on the motion of Ms Sharpe: That Recommendation 29 be amended by inserting the words 'request that' after the word 'Infrastructure', and by inserting the words 'investigate how to' after the word 'service to'.

Resolved, on the motion of Ms Sharpe: That Recommendation 29, as amended, be adopted.

Resolved on the motion of Ms Sharpe: That Recommendation 30 be adopted.

Mr Khan rejoined the meeting.

Resolved on the motion of Mr Smith: That Recommendation 31 be amended by omitting the second sentence that reads 'Furthermore, the Minister for Transport should consider allowing wheelchair accessible taxis to set-down and pick-up passengers with a disability anywhere, subject to safety considerations'.

Resolved on the motion of Mr Smith: That Recommendation 31, as amended, be adopted.

Resolved on the motion of Ms Sharpe: That Recommendation 32 be adopted.

Ms Rhiannon moved: That Recommendation 33 be amended by omitting the word 'half' and inserting instead the words '75 per cent of'.

Question put.

The Committee divided.

Ayes: Ms Rhiannon

Noes: Mr Ajaka, Mr Donnelly, Mr Khan, Ms Sharpe, Mr Smith

Question resolved in the negative.

Resolved on the motion of Mr Donnelly: That Recommendation 33 be adopted.

Resolved on the motion of Ms Sharpe: That Recommendation 34 be adopted.

Resolved on the motion of Ms Sharpe: That Recommendation 35 be adopted.

Resolved on the motion of Ms Rhiannon: That Recommendation 36 be amended by omitting the words 'intellectual disability and vision impairment' and inserting instead the words 'assisting people with intellectual disability, vision impairment, and people using guide dogs and assistance dogs'.

Resolved on the motion of Ms Rhiannon: That Recommendation 36, as amended, be adopted.

Resolved on the motion of Ms Sharpe: That Recommendation 37 be adopted.

Resolved on the motion of Ms Sharpe: That paragraph 8.127 and Recommendation 38 be omitted, which read:

- 8.127 The Committee considers that increasing the value of the TDIS to \$10.00 per trip will contribute to further improvements in response times, and a greater willingness of taxi drivers to undertake WAT work. This increase will also bring NSW into line with the incentives offered by the majority of other States and Territories.

**Recommendation 38**

That NSW Transport and Infrastructure increase the value of the Taxi Driver Incentive Scheme to \$10.00 per trip.

Resolved on the motion of Mr Donnelly: That Chapter 8, as amended, be adopted.

Chapter 9 read.

Resolved on the motion of Ms Sharpe: That Recommendation 40 be adopted.

Resolved on the motion of Mr Khan: That Recommendation 41 be adopted.

Resolved on the motion of Mr Donnelly: That Recommendation 42 be adopted.

Resolved, on the motion of Ms Sharpe: That Recommendation 43 be adopted.

Resolved on the motion of Ms Rhiannon: That a new recommendation be inserted after Recommendation 43 to read 'That NSW Transport and Infrastructure establish a specific unit within the Customer Feedback Management System to deal with complaints about taxi services for people with accessibility issues'.

Resolved on the motion of Mr Donnelly: That Recommendation 44 be adopted.

Resolved on the motion of Mr Khan: That Recommendation 45 be adopted.

Resolved on the motion of Mr Donnelly: That Recommendation 46 be adopted.

Resolved on the motion of Mr Smith: That Recommendation 47 be adopted.

Resolved on the motion of Ms Rhiannon: That Recommendation 48 be amended by inserting before the word 'consisting' the words 'to meet regularly and report to the Director General of NSW Transport and Infrastructure on its deliberations, and'.

Resolved on the motion of Ms Rhiannon: That Recommendation 48, as amended, be adopted.

Ms Rhiannon moved: That a new recommendation be inserted after paragraph 9.117 to read 'That individual operators and networks, that have been supplied with wheelchair accessible taxi licence plates and/or the previously allocated pairs of Nexus plates, should not be profiting from leasing these plates to individual wheelchair accessible taxi drivers, operators or networks. However, if the individual operators and networks do lease the above-mentioned taxi plates then there should be appropriate itemised accounting to show the income from such leases is allocated to the operation of the wheelchair accessible taxi service.'

Question put.

The Committee divided.

Ayes: Ms Rhiannon

Noes: Mr Ajaka, Mr Donnelly, Mr Khan, Ms Sharpe, Mr Smith.

Question resolved in the negative.

Resolved, on the motion of Mr Donnelly: That Chapter 9, as amended, be adopted.

Chapter 10 read.

Resolved, on the motion of Ms Sharpe: That Recommendation 49 be adopted.

Resolved on the motion of Ms Sharpe: That paragraph 10.28 and Recommendation 50 be omitted, which read:

10.28 The Committee also notes that no government support is provided to trainee taxi drivers, which may deter prospective applicants from undertaking the driver training course. The Committee considers that the NSW Department of Education and Training should review the merits of recognising taxi driver training programs under the Apprenticeship and Traineeship Act 2001 to remedy this oversight. This will provide prospective drivers with financial support in undertaking their training, and may establish taxi driving as a viable alternative to the hospitality and service industries.

**Recommendation 50**

That the NSW Department of Education and Training review the merits of recognising taxi driver training programs under the *Apprenticeship and Traineeship Act 2001*.

Resolved, on the motion of Mr Donnelly: That paragraph 10.49 be amended by omitting the word ‘associations’ and inserting instead the word ‘organisations’, and by omitting the last sentence that reads ‘The Committee notes the NSW Taxi Drivers Association’s claim to be afforded representative status in the Commission instead of the Transport Workers Union’.

Resolved, on the motion of Mr Donnelly: That the last sentence of paragraph 10.50 and Recommendation 51 be omitted, which reads:

10.50 ... Given the competing claims about who is the appropriate representative at the Industrial Relations Commission, the Committee considers that the Minister for Industrial Relations should request that the Industrial Relations Commission review the status of parties in the Commission, to ensure that the most appropriate bodies participate in decisions relating to the Taxi Industry (Contract Drivers) Contract Determination 1984.

**Recommendation 51**

That the Minister for Industrial Relations request that the Industrial Relations Commission review the representative status of parties to the Taxi Industry (Contract Drivers) Contract Determination 1984.

Ms Sharpe left the meeting.

Resolved on the motion of Mr Khan: That paragraph 10.94 be amended by inserting after the words ‘devoted to’ the words ‘occupational health and safety as well as’.

Resolved on the motion of Mr Khan: That Recommendation 52 be amended by inserting after the words ‘about’ the words ‘occupational health and safety as well as’.

Resolved, on the motion of Mr Khan: That Recommendation 52, as amended, be adopted.

Resolved, on the motion of Mr Smith: That Recommendation 53 be adopted.

Resolved on the motion of Mr Smith: That Chapter 10, as amended, be adopted.

Chapter 11 read.

Resolved on the motion of Mr Khan: That Recommendation 54 be adopted.

Ms Sharpe rejoined the meeting.

Resolved, on the motion of Mr Smith: That Recommendation 55 be adopted.

Resolved on the motion of Ms Sharpe: That Recommendation 56 be adopted.

Ms Sharpe moved: That paragraph 11.82 and Recommendation 57 be omitted, which read:

11.82 Nevertheless, the Committee considers that the Roads and Traffic Authority should review the system of demerit points as it applies to taxi drivers for infringements occurring during their shifts. In particular, the Committee believes that consideration should be given to penalising taxi drivers at the rate of half the number of demerit points for each infraction, but doubling the amount of any monetary fine.

**Recommendation 57**

That the Roads and Traffic Authority review the system of demerit points as it applies to taxi drivers, with particular regard given to the penalties faced by taxi drivers for infringements occurring during their shifts.

Question put.

The Committee divided.

Ayes: Mr Ajaka, Mr Donnelly, Mr Khan, Ms Rhiannon, Ms Sharpe

Noes: Mr Smith.

Question resolved in the affirmative.

Resolved on the motion of Mr Khan: That Recommendation 58 be adopted.

Resolved on the motion of Ms Sharpe: That a new recommendation be inserted after Recommendation 58 to read 'That NSW Transport and Infrastructure send information to all licensed taxi operators reminding them of their obligations in relation to insurance and their responsibilities in relation to insurance excess.

Resolved, on the motion of Ms Sharpe: That Recommendation 59 be adopted.

Resolved, on the motion of Ms Rhiannon: That Chapter 11, as amended, be adopted

Resolved on the motion of Ms Sharpe: That the Committee thank the Committee Secretariat for their excellent and comprehensive work during the inquiry and in preparing the draft report.

Resolved, on the motion of Mr Khan: That the draft report, as amended, be the report of the Committee and be presented to the House, together with transcripts of evidence, submissions, tabled documents, minutes of proceedings, answers to questions on notice and correspondence relating to the inquiry, except for documents kept confidential by resolution of the Committee.

Resolved, on the motion of Ms Rhiannon: That the Chair's Foreword and Executive Summary be circulated, for the information of members.

Resolved on the motion of Mr Donnelly: That the Committee Secretariat corrects any typographical and grammatical errors prior to tabling.

Resolved, on the motion of Mr Khan: That the deadline to submit dissenting reports to the Committee Secretariat is 24 hours after the draft minutes are circulated.

**7. Proposed tabling date and possible media conference.**

Resolved on the motion of Mr Donnelly: That the final report be tabled on Tuesday 1 June 2010.

**8. Adjournment**

The Committee adjourned at 2.35 pm *sine die*.

Rachel Simpson

**Clerk to the Committee**

## Appendix 11 Dissenting statement

### BY THE HON ROY SMITH MLC

After hearing evidence from taxi drivers, I am persuaded that they have a case for closer examination of their proposal to have an increase in demerit points. I believe, not only taxi drivers, but all professional drivers have a clear case for consideration, given the proliferation of speed cameras, red light cameras and other speed detection devices, and the multitude of different speed zones, particularly within the metropolitan area.

Obviously drivers who are on the road earning their living professionally, working 8 to 10 hours and sometimes more a day, are going to be more exposed to speed detection devices and red light cameras than the ordinary driver. They also have the added issues of frequent changes in speed zones, whereby a higher speed limit yesterday, becomes a lower speed tomorrow without any fazing in period.

This increased exposure could be said to unfairly work against them, in that they have only the same demerit points as the average driver who only spends a fraction of that amount of time on the road.