

**Submission
No 4**

INQUIRY INTO NSW TAXI INDUSTRY

Name: Mr Ian Anderson

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Dear Committee Members

My family has a combined 70 yrs of experience in the Taxi Industry and I entered the industry whilst completing my Bachelor of Business at UTS.

The first and foremost fact the committee must understand is that since investors were allowed into the industry by the then Transport Minister Bruce Baird we have conflicting interests between the owners of plates and the operators.

Investors have no concern for the operation of the Taxi industry, merely a return on their money. They contribute nothing for the maintenance of the industry infrastructure such as Radio Rooms, Security systems etc. Before Baird's ill advised changes you were required to operate the Taxi plate you owned 30 hours per week and there were few large lease operators. 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 more akin to Thrifty or Budget. 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 brother recently sold his plate to a "broker" in Victoria who apparently finds international buyers and when my brother stated that the plate was leased for \$490 per week he replied "not enough". Knowing the taxi industry as we do \$490 is barely viable, let alone more, but this indicates the attitude of these absentee rent seekers.

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. It takes years to learn Sydney and this will not only see knowledge retained it will provide a superannuation for drivers, that does not exist now, at no cost in terms of fare increases.

I submit that you could offer plates to senior drivers for around \$200,000 which given a 10% return could be invested to cover the lease fees the Government currently receives. 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. Most people travel either inter region or to only one or two intra locations such as the CBD or Airport. Therefore in the CBD and at the Airport why not have destination ranks to return the cabs to their regions. The majority of people phone their regional operator from home yet hail anything down when in the city etc and then complain they don't know where they are going. Give the people a bus stop like setup where they can get one of their regions cabs and return it to their area to service the local radio work. After all there is little efficiency in a St George cab returning through Avalon empty when people are phoning Manly Cabs and can't get one because there are none in Avalon. Would it not be more efficient if the original trip from the city or airport commenced from a destination rank that saw a Manly cab returning to its operational area. This would also increase driver profitability without any fare increases required.

Finally the cost of Radio Rooms is huge and will never be met by a \$2 booking fee. Why not allow the networks to provide information services such as the current 0055 numbers where people are billed to their phone account. For instance people that request a phone call on approach could be charged a small amount to cover the cost of the extra telephonists required to provide this. This would also involve no increases to taxi fares as it would be billed directly to your phone and provide a source of financing better Radio Room service.

Thanks Ian Anderson