

INQUIRY INTO NSW TAXI INDUSTRY

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Partially Confidential

Paul Fletcher,

The Select Committee on the NSW Taxi Industry

Parliament House

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Dear Senators,

This is a submission based on my views following about thirty six years in the business as a taxi driver and the last thirty years as an owner / driver.

First of all, why do we have ANOTHER enquiry into taxis? In my time I have lost count of the number of various enquiries. I guess it is another knee-jerk reaction to a knee jerk reaction by the Government Cabinet that came up with a scheme that would not have achieved much other than wipe out the value of about six thousand, mainly family, businesses. Investments that had been worked for over many years and done in full accordance with the law. And what brought on such a decision? One taken in secret with no consultation with any stakeholders! My guess is a series of articles written in the Sydney Morning Herald by a reporter that beat up a story out of nothing much, claiming secrecy and back door deals which were neither and had always been done openly and by people who did not benefit in any way from such changes.

His articles were aimed at, mainly, an individual and a company. Some of his information came from known a “hater” of the subjects who openly admitted it. Interestingly, I understand that both the author and publisher are the subject of legal action regarding the articles. Some have suggested the articles were pushed by a group that failed in its attempt to set up a taxi company and taxi credit company as it wanted, many of us believing the failure to be because they had to work by the same “rules” as the rest of us – something they may not have been used to. As a result, here we are with another enquiry!

(a) Government reporting standards may or not be fine but the sources of that information can be, unwittingly, unreliable. For example, the time taken to pickup a booking is, I believe, taken from the meter switching. Meters are frequently turned on early for a number of reasons to suit the driver (not defrauding the customer) such then being turned off again before picking up the customer so the driver may be logged into the computer booking system early, in order to gain a benefit. A driver may look at the booking address but not accept the booking then pick it up. The passenger knows no different but the system is then incorrect. There is also the grand question of who (if anyone) at government level reads such reports and then does what with them?

(b) I know of no government subsidies to the industry besides cheap lease on Wheelchair Accessible Taxi licenses (which is in fact a subsidy to wheelchair travellers as such operations are not particularly viable) and the M40 and M50 transport subsidy vouchers to the passengers. When the WAT scheme began (as Neville Wran’s gift to the Year of the Disabled) taxis were the logical means of

running it. It was run by the networks (which then were mainly co-operatives owned by taxi owners for the purpose of collecting and distributing radio hirings) but the WAT licences ran at a loss. Many kicked up a fuss on the basis that we were subsidising the WAT passengers not only as taxpayers but also through our co-ops which were losing money on the scheme so the government issued what eventually have become known as nexus plates to offset the losses. This also put more cabs on the road. Their “tradeability” occurred, I believe, as a result of a ruling by the Co-operatives Registrar, with certain provisos. Government revenue loss – questionable by any means. I suggest no loss.

(c) The supply of unlimited unrestricted licences is often the subject of conjecture. Theorists often advocate it. 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. Many years ago the issue of licences was based on a needs survey. As a driver I would see the Transport Officers (Arthur Cubitt one of the main ones) watching various taxi ranks and recording the flow of passengers and the waiting time spent by the taxis. Such information provided a general trend of the needs, particularly when kept over a number of years.

(d) National Competition Council – nothing but contempt for such an out of touch on all fronts group.

(e) It has been suggested that there have been some anti-competitive activities in the industry, particularly regarding taxi meters. I in fact changed from a

Schmidt meter to a Cabcharge meter. Not because, as Gary Schmidt was suggesting, of anti-competitive pricing but because of the failure on his part to provide a proper service regarding his meter. I looked for and bought what I decided was the best meter. Price was not a concern. I, and my drivers, still believe it (Cabcharge meter) to be the best available.

(f) The effectiveness of the WAT Driver Incentive Scheme (paid from taxi owner and operator levies) I do not know. I don't drive one.

(g) You wouldn't know what the government responses to "a range of reviews" has really been. They put out so many press releases, fail to follow through on them, and say nothing about so many things you couldn't know. But what I do know is that the department overseeing taxis (whatever its name is this week) has had so many Ministers, so many Directors General, so many Acting Directors General and such a high turnover of staff at various times that it's a wonder any of them even know what a taxi cab is. They can't run trains, they can't run ferries and they can't run taxis!

(h) The transparency and accountability in the regulation of the industry is fairly low. Consultation and reasoning does not get to those of us with our life's work and investment tied up in the industry. It is another example of inept government, quite simply.

(i) Refer (g) and (h).

(j) I don't know about interstate but, like anything, 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. All this government has ever done is notify a television channel to go out with them while they pick on a few cabbies in order to look good on television and look as if they are doing something, when in fact you never see any general checking going on. I could not tell you the last time I or my cab was checked other than the routine registration and four monthly inspections. (I work very hard to maintain a good standard of vehicle and service anyway, as do a great many owners and drivers).

(k) Working conditions and entitlements for drivers are currently set by law, dating back to about 1984. Drivers have the choice of fixed pay ins or a percentage of the takings. In Sydney EVERY driver I know of chooses fixed pay ins. The choice is totally up to the driver by law. The reason is that they are far better off than the percentage basis. Most drivers then prefer to receive their holiday entitlements on a daily basis, i.e. in the form of a discounted pay in. It is, quite simply, what most choose and want. It boils down to the fact that the operator does not benefit in any way but the driver gets what he wants. If he wants the operator to pay his holiday pay, etc. in a lump sum then the pay in is usually set at the maximum allowable by law. Very simple really and always in the driver's favour. Whilst superannuation is currently not paid (it must be kept in mind that a driver is not a wage earner but a bailee or, effectively a small businessman) it has been mentioned recently by IPART in fare adjustments but there is absolutely no provision for it as part of the cost basis of taxi fares, as should be the case with an allowance for it in the cost model. The psyche of a taxi driver may be very difficult for a Parliamentarian or public servant to

understand. Working conditions include the customers a driver deals with. Most are very nice people but a percentage are, for whatever short or long term reasons, difficult, aggressive and downright violent. Most of that goes unreported because all it does to report it is cost the driver time and, hence, money. Over the years the police and the courts have been reluctant to deal with them in a proper manner. Regardless of statistics you just try walking the streets alone, let alone invite them into your vehicle while you are alone. Frequently a taxi driver refers to the difference between a good and a bad day or (mostly) night not by his earnings but by the number of " " he has had to deal with. Whilst there is talk about better camera systems being available there are none that I know of that meet the requirements of the law other than the few brands that are currently available which do leave a bit to be desired in a number of areas. It must be noted too that everything comes at a cost.

(l) Other related matters must begin, to my mind and experience, with the wholesale changes in recent years to the parking regulations (hiding behind the term National Regulations, which do allow options) in that 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. That is a fact. The passenger usually doesn't understand (or care) and either from the roadside or in the cab becomes abusive. Since Councils have learned what cash cows the laws can be they have become extremely aggressive in their enforcement procedures, hiding and using any number of tactics to maximize income.

That there are exceptions shows plainly that the "No Stopping" zone is not the safety requirement some would have us believe. In fact, today three quarters of a "No Stopping" zone prior to pedestrian lights on Manly's The Corso is blocked and "parked" on by a container and a long, two metre high solid fence. Obviously some safety need. Yeah, right! The same area is frequented by council vehicles. In the city behind Town Hall House a "No Stopping" zone allows council and RTA vehicles only to stop. Some safety need! A bus is the only vehicle able to pick up or set down on the entire perimeter of the Queen Victoria Building block. Great service that allows doesn't it? Not only is it the "No Stopping" zone but also the "Bus Zone" that is a problem. Why can't a taxi pick up or set down on a bus zone? After all they usually have someone in need of transport. How discriminating to restrict those people to a bus. What about when the bus is late or doesn't come? Doesn't matter; no other means of transport is available to that person on the bus stop. 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. As an industry we have always been told that the reason is that the bus drivers' union is against it. Hmmm! An infringement of a "Bus zone" or "No Stopping" zone, even for a second incurs a \$197 fine. Cop a few of them and see what lack of service you provide. They don't have to be given to you, they just turn up in the mail. Every bus zone should have an adjacent "No Parking" zone. After all, it's about the passenger, not the bus or taxi. That a "Bus Zone" is there at all shows that stopping there is acceptable. "No Stopping" zones should have that shown on the footpath side of the sign as well so that pedestrians can be aware that cabs or other vehicles can't stop there. Many of the "No Stopping" zones should be changed to "No Parking" zones, regardless of the thoughts of some academic in the Roads and Traffic Authority. That last word says it all. They used to be the

Department of Main Roads and had a lot more common sense. Quite simply, a taxi cannot be driven profitably or providing a service without parking illegally. What other business is expected to act that way by its customers and its regulators? I offer to take you for a short trip around the city to show you how the regulations affect the service we are able to provide. Will you take me up on this? Ministers have refused. Please contact me at the above address to take me up on this. I sincerely hope you do.

About twenty percent of bookings are M3s (no passenger on arrival of taxi). Most of these are from public places or on main roads. Such practise has "trained" many taxi drivers to not waste their time looking at such jobs. Many years ago restaurants started the practise of not accepting a booking without a credit card to charge something to because they got sick of people booking and then not showing up, thus costing them money. Unfortunately we can't do that but it might smarten up both sides of the contract if it were done.

There have been many services allowed in recent times along similar lines to taxis such as "shuttle services" to airports or cities and so on. Whilst competition is good I notice that the requirements and thus costs of these services are much less onerous than taxis. No reporting requirements, less vehicle inspections, the ability to limit their services as they choose, no disability requirements, to name a few. This could be seen as questionable.

Yours faithfully,

Paul Fletcher