

INQUIRY INTO NSW TAXI INDUSTRY

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The Hon. John Ajaka MLC
Chairman
Select Committee on the NSW Taxi Industry
Legislative Council
Parliament House
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Dear Chairman,

I am pleased to provide a submission to Legislative Council Select Committee on the NSW Taxi Industry. This submission from Safety and Policy Analysis International has been prepared in response to the establishment of a Legislative Council select committee appointed to generally inquire into and report on the New South Wales taxi industry.

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.

It has been well documented, particularly by strong investigative reporting by the Sydney metropolitan dailies (particularly by the Sydney Morning Herald) that the programs to provide government subsidies to the industry and the allocation and subsequent trading of free "Nexus" plates for the transport of disabled commuters have been subverted and have failed.

It remains unclear as to why limits on the supply of unrestricted taxi licences in New South Wales, particularly in Sydney, remain in place. There have been ample opportunities to reverse this situation and free up the taxi market, challenging the well known anti-competitive activities in the industry.

The choice of focus of this inquiry on 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, is very appropriate, and the situation regarding this part of the taxi industry could well serve as an exemplar of the inadequate and inappropriate situation pertaining to the general taxi fleet.

The Select Committee might care to review the continuing failure of the New South Wales taxi industry to ensure the safety of carriage of babies and young children in taxis, examining the circumstances surrounding the need to provide infant and child protective devices in taxis and the disgraceful efforts of the NSW Taxi Council to subvert this requirement.

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Issues associated with the safe and efficient regulation of the New South Wales taxi industry have become matters of public comment and concern on many occasions, and there have been a range of reviews into the taxi and hire car industry, particularly over the last decade. The response of the NSW Government to the findings and recommendations of these reviews has been lackluster and non-committal to say the least. Indeed, more than half of the reports of reviews conducted over the past decade alone were not made public.

Not only has there been a lack of transparency and accountability in the regulation of the taxi industry, there has also been a 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. The appropriateness and accountability mechanisms associated with such appointments as secondary employment is subject to question in this inquiry, but it must be noted that this strategy has been operating for several decades. 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. Australian corruption prevention agencies, including the Independent Commission Against Corruption here in New South Wales, have done good work in this area and a review of their reports and guidelines would be valuable in assisting the Select Committee in its deliberations on this aspect of the New South Wales taxi industry.

The two critical heads of inquiry for the Select Committee, in my view, are the requirements to review and examine the 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, and the review of working conditions and entitlements for taxi drivers.

It is my view that the appropriate regulatory focus for the New South Wales taxi industry should be centred on the regulation of taxi drivers, not, as is the current situation, on the regulation of taxi plates.

The New South Wales taxi industry should be based on ensuring that taxi drivers working within the industry are highly skilled and knowledgeable. The taxi driver licence should be widely open to those who wish to enter, but the awarding of the licence should be subject to high criteria regarding knowledge of roads, suburbs, major institutions and facilities, and the practicable and economic routes for a journey.

Work as a taxi driver should require use (ownership or lease) of an appropriate and safe vehicle fitted with technologies such as taxi meters, GPS devices, communications equipment, video monitoring, provision of infant and child occupant devices, etc., and marked as a taxi. The vehicle specifications for a vehicle to be authorised for use as a taxi should require standardised markings, minimum and maximum passenger capacities, minimum luggage volume, etc..

Continued work as a taxi driver should be absolutely dependent on maintenance of the licence. The failure to ensure that taxi work is conducted appropriately should come back and rest with the licensed taxi driver. This will provide a readily identifiable person in circumstances where a taxi regulation has been broken, and the suspension or removal of a taxi licence should serve as a strong deterrent against misconduct and inappropriate behaviour.

Once the regulatory focus is shifted from the taxi plate to the taxi driver, then additional mechanisms can be brought in to deter inappropriate conduct within the taxi industry, including immobilization, impoundment and forfeiture of the taxi vehicle.

These are good and practical ideas, but it may be very difficult for this type of system to be put in place.

In the end the major issue for the Select Committee is to gain an understanding of the economics of the New South Wales taxi industry, particularly in terms of understanding how the vested commercial interests that dominate the taxi industry in Sydney have successfully used the existing regulatory and management systems to stymie attempts at reform, including, for example, massively overbidding on the first taxi plate sold at auctions for new taxi plate releases to establish an artificially high and unrealistic value for the plates, promotion of investment in taxi plates for individual investors (who thereby stand to lose their savings if there is any reform to the system), and, as discussed earlier, the orchestrated recruitment of senior bureaucrats and those involved in political management of the transport industry.

There is widespread concern about the public safety aspects of taxi use, particularly the personal safety of taxi drivers, but, in contrast, road safety issues and workplace safety issues (occupational health and safety) within the taxi industry are not widely studied. In New South Wales, most attention to road safety issues in the taxi industry has been directed towards issues of occupant restraint use: promotion of seat belt use by the fare-paying passengers; the exemption from seat belt use for taxi drivers; and the exemption from infant restraint use for babies being carried in a taxi. 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. As well, some attention has been paid to issues of driver fatigue—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.

However, the concern continues over taxi safety and the level of service provision by taxis as a form of public transport. This is not new. For example, the STAYS SAFE Committee reported in 1997 that the Sunday Telegraph of 23 February 1997 editorialised:

".... Roads Minister Carl Scully is right to be appalled. His move to check cab safety more regularly is to be supported. But his measures are nowhere near enough. For years, the Government and the taxi industry have fought over safety issues. There has also been an endless succession of claims and counter-claims over the cleanliness of taxis and standard of drivers. Everyone in Sydney would have been in a cab whose driver could not find the nominated destination. For an Olympic city, that's simply not good enough. But even worse is the prospect that your cab may never arrive because of an accident caused by poor maintenance. It's time for a complete overhaul of the taxi industry, to weed out those who put profit before safety and to protect the travelling public. It will be too late when a cab's brakes fail, its retreads blow out or an oil leak causes a fire and passengers are killed or injured as a result. The Government has a responsibility to crack down on operators and companies who allow cabs like the one in our report on the road. To ignore the situation is tempting fate. No life should be regarded as cheaply as a taxi fare."

This is from an editorial almost thirteen years ago, but is just as relevant today.

There are a number of related, underlying issues that impact on the safety issues within the taxi 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. As well, the role of a multiplicity of government agencies involved in the regulation and oversight of the taxi industry merits review.

Finally, some relevant reports regarding regulation of the industry are:

Dalziel, J.R. & Job, R.F.S. (1997). Taxi drivers and road safety. Canberra, ACT: Federal Office of Road Safety. [This report examines the safety of taxi drivers regarding crash involvement and driver fatigue, workplace safety associated with shiftworking arrangements, the availability of relevant statistics]

Dalziel, J.R. & Job, R.F.S. (1997). Motor vehicle accidents, fatigue and optimism bias in taxi drivers. *Accident Analysis and Prevention*, 29 (4, July: SPECIAL ISSUE: FATIGUE AND TRANSPORT), 489 - 494. [This paper examines the safety of taxi drivers regarding crash involvement and driver fatigue, workplace safety associated with shiftworking arrangements, the availability of relevant statistics]

David Riches & Associates (2004). Investigation of taxi involvement in pedestrian crashes in the Leichhardt local government area. Leichhardt, NSW: Leichhardt Municipal Council. [This report examines pedestrian injury associated with crashes involving taxis in an inner Sydney local government area, the availability of reliable crash data, and comments on general issues regarding taxi drivers]

Independent Pricing and Regulatory Tribunal of New South Wales [IPART] (1999). Review of the taxi cab and hire car industries: overview of final report. Chairman: T.G.Parry. [This report examines taxi and hire car fares, issues in regulation and deregulation, taxi licences, commuter demand, taxi availability in peak hours, airport transport, handicapped commuters]

Keatsdale Pty Ltd (1995). A report on taxi driver safety. Sydney, NSW: Department of Transport. [This report examines personal safety issues for taxi drivers including violence, threat, robbery, and assault committed by taxi passengers, and security screens as a protective device]

Mayhew, C. (2000). Preventing assaults on taxi drivers in Australia. *Trends and Issues in Crime and Criminal Justice*, 179. [Australian Institute of Criminology, AIC] [This report examines preventive strategies to improve the safety of taxi drivers, protective screens, global positioning systems, GPS, cameras, alarms, risk, intentional injury, robbery, violence]

Mayhew, C. (2000). Occupational violence in the taxi industry. Paper presented at the Community Forum on Safety Issues Relating to the Taxi Industry, Lidcombe, NSW, 5 September 2000. [Australian Institute of Criminology, AIC] [This paper examines preventive strategies to improve the safety of taxi drivers, protective screens, global positioning systems, GPS, cameras, alarms, risk, intentional injury, robbery, violence]

Parliament of New South Wales, Regulation Review Committee (1998). Transcript of a briefing to the New South Wales Parliament's Regulation Review Committee on 4 June 1998 regarding the Passenger Transport (Taxi-cab Services) Amendment (Relating to the provision of child restraints in) Regulation 1996. Includes evidence from : J. Holgate (Roads and Traffic Authority), H. Harrison (New South Wales Taxi Council), and C. Gowdie (Kidsafe). [This documentation relates to the issue of infant and child occupant protection whilst being conveyed in a taxi, and includes testimony from the Roads and Traffic Authority, the Child Accident Prevention Foundation of Australia (CAPFA, or Kidsafe), and is focused on the provision and availability of infant protective devices (baby capsules and booster seats)]

Parliament of New South Wales, Regulation Review Committee (1999). Report on regulatory controls relating to taxi-cab child restraints. Report 19/51. Sydney, NSW: Parliament of New South Wales. [This report examines the then Motor Traffic Regulations 1935, Reg. 110GA, concerning the issue of

infant and child occupant protection whilst being conveyed in a taxi, and focused on the provision and availability of infant protective devices (baby capsules and booster seats)]

Parliament of New South Wales, STAYSAFE Committee (1997). Injury risk and injury control in the New South Wales taxi industry: workplace safety, road safety and public safety issues (Pages 197-207). In: I.J. Faulks (Ed.) STAYSAFE 36 - Drivers as workers, vehicles as workplaces: Issues in fleet management - Edited transcripts of a seminar held at Parliament House, Sydney, Monday, 29 April 1996. Report No. 9/51, May 1997. [This paper examines the three aspects of safety for taxi drivers: road safety, workplace safety and personal safety]

Parliament of Victoria Crime Prevention Committee (1993). Developing a safer taxi industry. First Report upon the Inquiry into Personal Safety on the Public Transport System. Report No. 42. [This is a significant parliamentary report concerning the safety and regulation of the taxi industry in Victoria]

Radbone, I. (1997). Taxi safety initiatives study. Report prepared for the Passenger Transport Board, South Australia by the University of South Australia Transport Systems Centre in association with Symonds Travis Morgan consultants. [A report on safety measures that can be used to address risks associated with the taxi industry]

Roads and Traffic Authority (1999). The heavy and public passenger vehicle roadworthiness study: 1998. Sydney, NSW: Roads and Traffic Authority. [Included in this report on defective vehicles and the risk associated with defects is an examination of issues associated with taxis, crash involvement, and periodic inspection requirements]

Tisato, P. (1995). Wheelchair accessible taxis: The Adelaide experience. Road & Transport Research, 4(4, December), no page numbers. [This paper reviews the experience in South Australia relating to the provision of wheelchair accessible taxis for disabled commuters]

I hope that this submission assists the Select Committee in gaining some insight into the issues involved in the New South Wales taxi industry.

If you wish further information, I can be contacted on (W) (M) or email:

Your sincerely,

Ian Faulks
Partner

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