

## **INQUIRY INTO NSW TAXI INDUSTRY**

**Name:** Mr Graham Hoskin

**Date received:** 22/01/2010

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Select Committee on the NSW Taxi Industry,  
 PARLIAMENT HOUSE,  
 Macquarie St.,  
 SYDNEY. 2000.

## **SUBMISSION - INQUIRY INTO THE NSW TAXI INDUSTRY**

Please consider this submission concerning the Taxi Industry Inquiry.

My name is Graham Hoskin, a member of the public transport advocacy group, Action for Public Transport. Since this submission contains a lot of my own ideas which are not always the same as those of Action for Public Transport as a whole, I am sending it as a private submission.

However I have attached a copy of my submission on behalf of Action for Public Transport to the Independent Pricing and Regulatory Tribunal (IPART) of 2nd April 2004, which gained full approval from Action for Public Transport. **(Attachment 1)**

### **1. Basic position.**

My basic position is that the taxi industry should be considered as part of the public transport system, and that all attempts should be made to use taxi services on a shared ride system as paratransit services, especially for cross-suburban transport.

At present paratransit services (that is services intermediate between public transport and private transport) hardly exist in New South Wales, and most of the population regard the private car as necessary for cross-suburban transport, except where the suburb to be reached can easily be reached by a single rail trip or a single bus trip. Especially in the Western Suburbs of Sydney it is most likely that cross suburban journeys can only be made by multiple public transport trips, eg bus-rail-bus-walk, which are time consuming, and unsuitable for fixed-hours employment.

The Warren Centre recognized this need, and recommended that adjusted taxi services be used to serve these needs. Its recommendation on this issue **(Page attached)** reads:

(ATT. 2)  
 (Recommendation) 3e. **"Amend regulations governing buses, taxis and demand-responsive transport and conduct trials of new services (NSW Government)"**  
 "More flexible forms of public transport are required. Taxis offer flexible 'anywhere' transport but at a significant cost. Current work practices and regulations mean that taxi transport is not truly 'anytime.' Taxis and similar small vehicles, such as mini-buses, have the potential to fill several roles in the transport system, such as 'bus' services on low-demand routes or at low-demand times, ride-sharing for journeys to work to small employment locations and one-off trips for shopping."

The Warren Centre report continues:

"It is recommended that a major public review be conducted of the current regulations applying to the ownership and operation of public vehicles to encompass such issues as:

- potential restructuring of the taxi industry to make it a more significant player in urban transport;
- combined ownership and better coordination of bus and taxi fleets to facilitate synergy and hybrid service solutions, such as:
  - taxis used in lieu of buses on low-volume bus routes
  - taxis used in addition to buses on bus routes at high demand times
  - use of mini-buses as taxis and dial-a-ride vehicles
- better utilisation of cab sharing and introduction of new forms of demand-responsive transport, such as 'continuous multi-hire.'
- a common transit ticket that could be used for taxis as well as for other public transport vehicles.

2. Like the Warren Centre my recommendation is for a new and cheaper taxi service alongside the more expensive elite service which exists at present and is effectively controlled by Mr Reg Kermode.

Such a new cheaper taxi service, based on shared riding at a fraction of the fares charged under the present service, could constitute an effective paratransit service, and would be especially useful for cross-suburban transport to the numerous "small employment locations" which the Warren Centre recommendations mention.

At present, as Prof. Ross Parish argues in the book, *On Buying a Job*, the present system in Australia allows only one type of taxi service. This is a service which is highly expensive and is best suited to the elite, for example the businessman who wants to get to the Airport efficiently and without delay, and for whom high costs are not a problem (the costs are usually charged to the firm anyway).

As Prof. Parrish notes, 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.

For those services which drop passengers at separate addresses in a general area, these shared taxi services in effect offer a "to the door" service. This is especially helpful for passengers who are handicapped or frail and infirm.

Prof. Parish speaks of an enormous variety of services which are to be found in Asian cities. For Australian purposes, I think the simple shared ride service taxi going from a centralised pick-up point to another pick-up point but dropping passengers at points within the general vicinity of the pick-up points would be the best choice for a new form of taxi service.

Solving the paratransit problem is essential if we are to reduce traffic congestion, private car usage, and reduce greenhouse gas emissions. Not everybody works in the Central Business District or in one of the major suburban growth centres, like Chatswood, Parramatta, Hurstville, Bankstown etc. There are a lot of lesser

employment areas in the minor suburbs, many of which do not have railway stations. The tendency to smaller employment locations, away from the main hubs has been accentuated with the shift to "business parks", most of which are designed mainly for access by cars, with a few exceptions - eg Rhodes Business Park.

#### **Costs of a Shared Taxi Service.**

Because it is based on shared riding the prices would be much lower than for the present service which is based on single person elite service, more suited as I mentioned to business clients where cost is not a problem. The prices therefore would be intermediate between bus or train on the one hand and privately hired taxi transport on the other.

Note however, that as far as cost is concerned, under the present system costs are greatly inflated. The high costs of the present system are quite horrific. For example a trip from the City to an inner city suburb like Annandale is likely to cost about \$15-00, which is far too expensive for most of our population.

The high costs are caused by two factors:

1. Anti-competitive factors, including the control over the taxi industry wielded by Mr Reg Kermode, former President of the Taxi Council and founder of Cabcharge. Prof. Alan Fels believes that the public could be paying about a third less if there was proper competition within the industry. (*Fels calls for end to taxi owners' stranglehold*, In Sydney Morning Herald, February 9-10, 2008 - **Attached**) (ATT. 3)
2. General over-regulation of the industry with strict rationing of licence plates, a system dissected with formidable logic by Prof. Peter Swan in the CIS report, *On Buying a Job*.

The idea of a deregulated taxi industry with a variety of services is not entirely new. It has been considered in the past, even if very little change has actually been made, and in the distant past a variety of services has been available.

1. In 1988 the former Premier Nick Greiner considered fully deregulating the taxi industry, but gave up after stubborn opposition from Mr Kermode. (see Herald article, *Man with a licence to print money*, Sydney Morning Herald, September 26-27, 2009, **Partial Photocopy Attached**) (ATT 4)
2. In 2008, following World Youth Day and the visit of Pope Benedict, the former Premier Morris Iemma, spoke of introducing jitney type services, including the use of 12 seat mini-buses to provide flexible services to suburbs that are poorly serviced by public transport. (**Photocopy Attached**) Within a month of this proposition, and while he was awaiting the submissions to the Mobility Forum, which had been appointed to examine these issues, Premier Iemma was ousted by the factional warlords. (ATT 5)
3. Mr Bret Walker SC who produced the Report of the Special Inquiry into Sydney Ferries Corporation in October 2007, spoke in conversation with Deb Cameron on ABC Radio, in favour of mini-buses being introduced to more effectively convey passengers to ferry terminals.

Nothing much has come of these proposed changes, because of changes of government and lack of follow-up.

**Examples of these services exist**

Such proposed shared taxi services are not new primarily because they exist overseas. Prof. Parish in *On Buying a Job*, describes the variety of services available in Asian cities, commenting:

"These include mini-cabs, multiple-hiring taxis, and jitneys; the services they provide are intermediate in quality and cost between taxis and buses. The most noteworthy characteristics of these transport modes are their flexibility, adaptability, responsiveness to market demands, and competitiveness - features which are closely related to dispersed ownership, owner-operation, the possibility of part-time operation, and the absence of unionization. They are - or rather, would be, if permitted - the spontaneous creations of the market economy, and would provide potent competition for arteriosclerotic State-operated systems." (Photocopy Attached) (ATT 6)

Such systems 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 approved child restraints and bassinets, and other features for the transport of the handicapped etc. Unlike Prof. Parish I do not think the absence of unionization to be an advantage.

But apart from that Prof. Parish describes the type of system which would be of considerable advantage to Australian commuters, shoppers, students and other potential passengers, especially for cross-suburban transport. Such services would free many of them from the necessity of using private cars for their trips, and therefore alleviate the considerable problems which have arisen because of the profusion of private cars.

These problems include traffic congestion, parking congestion, accidents, pollution from vehicle exhaust emissions, depletion of our limited petroleum reserves etc.

Jitney type services including shared taxis and mini-buses can make a substantial contribution to a city's transport needs, especially as premier Morris Iemma noted for areas poorly serviced by public transport. Since public transport services are already lagging badly for most recently established suburbs, and many which have been established for decades, eg Green Valley, there is likely to be not only a growing need but needs which will not be met for a very long time.

An example of very important contribution to city transport was described in an ABC Television program on Foreign Correspondent in 2007 on Johannesburg. The report by Andrew Geohagen about the use of mini-buses in Johannesburg described with slightly satirical emphasis a mini-bus driver who by stretching the rules calculated that he could transport 4500 passengers a day. While traffic and safety rules in Sydney would be stricter, a Sydney mini-bus driver offering a similar service could probably easily transport 2000-2500 a day, thus providing cheap transport, a more

direct service than buses, and reducing the number of private cars continually clogging our streets.

### **Historic examples of Shared Taxi systems in Australia's past.**

Shared taxi systems would not be entirely new, because in the past Australia had a number of such systems. They flourished in the period before Australia made its first oil discoveries in the 1960's, and especially during the period of petrol rationing which began during World War II and lasted till 1950.

In the rural area of south-east Queensland where I spent my first 13 years, shared taxi services called service cars flourished. Usually they were big American cars adapted for the carriage of multiple numbers of passengers from country towns, they were popular and could travel on routes unsuitable for buses. For example my mother used the service car from Kingaroy to Toowoomba, which travelled over winding mountain roads, for medical treatment. My grandfather used service cars for trips on the Darling Downs and Lockyer Valley.

Examples of the use of shared taxis also exist in Sydney's past. Mr John Oakes who has specialised in writing about Sydney's disused railways has described how a very big shared taxi, called a charabanc (sometimes called a "sharra" ) was used to transport passengers, including honeymooners, from the Royal National Park Station to hotel accommodation at Audley.

**Inconsistencies and irrationality of the present system.** The public can justifiably claim to be getting the "wrong end of the pineapple" under the present regulated system.

The Warren Centre report quoted above mentioned the use of shared taxi services on "low demand routes or at low demand times .. and transport to small employment locations"

The Government's response to services presently provided in such cases is both illogical and unfair.

Services provided in such cases are usually bus services. The Government is continually complaining that it is supporting uneconomic services which only have small numbers of passengers. It has little compunction about bailing out and closing such services with the explanation that they are uneconomic, leaving passengers either stranded, relying on a complex of public transport services, relying on private cars (sometimes being forced to buy private cars) or having to use taxis.

For sub-economic bus routes, why not as the Warren Centre report proposes letting shared taxi services and/or mini-buses operate, and Morris Iemma proposed? The Government has been governed either by inertia or the belief that for any such service, Mr Kermode's advice should be relied on.

### **Unfairness for the poor.**

The unfairness to the poorer elements of society was a topic I dealt with in a submission I made in 1993 to the Industry Commission which released a report Urban

Transport in 1994, with a large section dealing with the taxi industry and recommending ~~and~~ cheaper service. The Industry Commission was particularly important for me because it quoted from my submission with regard to the poor in urban sprawl areas. I will again quote from my own quotation:

"[People attending church at Liverpool] have either minimal or non-existent public transport at nights and on weekends, and are heavily dependent on taxi services at these times. But the cost of a taxi trip from Liverpool or Cabramatta Railway Stations to their homes in these areas is prohibitive, and the further to the west they are in the urban sprawl, the worse it is. Most of these people are lower income people .. Even one taxi fare under our present regulated system is a severe bite into the budget, and it can in fact make the difference between having enough to feed the children and not enough." (Full quotation Attached)

(ATT 7)

#### Areas suited to taxis but not designed for buses

Those Government politicians and bureaucrats who see bus services as the answer to all problems and envisage shared taxis as being un-Australian should also consider that many suburbs have been designed in such a way that they cannot easily be serviced by buses.

This is made clear by articles published by the Sydney Morning Herald with the titles "*They build a suburb, then find the buses don't fit*", and "*Homes stuck on road to nowhere*" (Sydney Morning Herald, June 16, 2008)

(ATT 8)

I live in a suburb, Panania, designed according to the grid pattern, which easily accommodates buses, but many newer suburbs, such as those on the other side of the Georges River, like Menai, Illawong and Bangor are designed with cul-de-sacs, wiggly streets, "dead-worm" patterns to make "spaghetti suburbs" (Prof. Bill Randolph's term mentioned in the attached article).

Residents from these suburbs state without any qualification that they need a private car (and frequently multiple private cars). They see bus transport as totally ineffective.

However, whereas buses find cul-de-sacs with mini-roundabouts, chicanes and other speed restricting devices (which are usually aimed mainly at restricting the activities of hooligans) very difficult and time-consuming to navigate, these can easily be accessed by mini-buses and even more easily by shared taxis.

Traffic congestion from these areas is also a problem. I pointed out in my Submission to IPART (**Attached**) that enormous numbers of commuters travel by private car from these suburbs and simply end up at the same destinations, i.e. Padstow and Sutherland Railway Stations. These residents would be better served by a continuous procession of shared taxis picking them up in the suburbs, and dropping them at the railway stations, resuming another shuttle, and then repeating the exercise in the evening peak.

Another problem that would be resolved by a shared taxi service is parking congestion. At present around Padstow Station there are cars parked outside residencies almost a kilometre from the station.

In some areas, eg around the University of New South Wales, parking congestion affects local residents adversely because there is a problem caused by people parking in driveways, which blocks or impedes residents from driving out of their properties.

All of these problems could be solved by the introduction of shared taxis.

### **Lack of public transport services at night and on weekends**

There is a continual problem of a lack of transport at nights and on weekends, especially for unlicensed teenagers, and also for licensed party-goers who should not be driving because of the consumption of alcohol. This leads to large numbers of teenagers filling the streets at unusual hours when no public transport is available, and it frequently becomes a problem for the police.

A case in point is presented by the Herald article *On the edge* ( Sydney Morning Herald December 18-20 2009) (**Attached**) The emphasis in the article is on the severity of police behavior when suddenly 250 party-going teenagers appear on the street with no effective transport to get them home, because government services have ceased operating at such late times. (ATT 9)

I believe the introduction of shared taxi services would be invaluable in transporting teenagers home efficiently, and would therefore alleviate a major problem for police.

### **The cost of changes to a shared taxi system.**

The most attractive thing of all about the introduction of shared taxis is that there would be virtually no cost. All that would be required would be a stroke of the Government pen, with probably some gradual phasing in with trial services and compensation for taxi owners (especially those who have just very recently paid the full cost of taxi plates).

Governments continually complain that improving public transport services is highly expensive, with the building of new railways, the resumption of land for corridors, and the purchase of new buses.

The beauty of the introduction of shared taxis is that all it would require would be a stroke of the government pen, and then strict regulations on vehicle inspection, installation of child restraints etc.

After that as Prof Parish and Peter Swan argue the system could operate without government cost on free market principles. No costs, or minimal costs with enormous benefits, and many deficiencies in Sydney's transport resolved.

### **Conclusion**

I have argued in this submission that the Legislative Council Select Committee should recommend changes to the present system of taxi transport involving deregulation and



the introduction of shared taxi services on the lines recommended by former Premier Morris Iemma and the Warren Centre report *Towards a City of Cities: sustainable transport in sustainable cities; final report*.

The present system has become too much of a private fiefdom dominated with Government connivance by Mr Reg Kermode, as demonstrated clearly by the Sydney Morning Herald articles published in September 2009 on Mr Kermode and the taxi industry.

The fact that Mr Kermode is making a lot of money out of the present system, and has recieved considerable Government favoritism is not my primary concern.

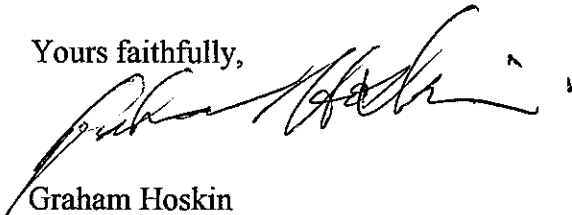
My primary concern is that Sydney is missing out on an effective vital component of a comprehensive well operated transport system because of the virtual absence of paratransit, the system of transport which is intermediate between mass public transport and private car usage, and which is especially important for cross-suburban transport and servicing low demand destinations.

A new type of taxi service modelled on overseas countries could be arranged to remedy this deficiency. The cost would be minimal because the new system would rely basically on private enterprise being allowed to fill a gap in the market which at present is basically unfilled. It would require only a stroke of the Government pen, and after that as Prof. Parish argues, free market demand responsive mechanisms would operate with minimal government interference, such as restrictions concerning regular vehicle inspections, and safety arrangements.

Any form of deregulation and any changes to the taxi industry would be emphatically opposed by Mr Kermode. Members of the Warren Centre team have privately mentioned this to me. But it is the responsibility of the Government to serve the people and not establish private fiefdoms.

There are clearly severe transport deficiencies in Sydney, evidenced by lack of public transport in urban sprawl areas and lack of cross-suburban transport. Some cross-suburban bus services are uneconomic and threatened with closure. The introduction of shared taxi services with a stroke of the Government pen would go a very long way to resolving this problem.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Graham Hoskin', written over a horizontal line.

Graham Hoskin

## Action for Public Transport (NSW)

www.aptnsw.org.au

2nd April 2004

Dr Thomas Parry  
Chairman  
Independent Pricing and Regulatory Tribunal,  
P.O. BOX Q290,  
QVB Post Office NSW 1230.

### Determination of Fares for Taxis from 1st July 2004

Dear Dr Parry,

#### Introduction

Thank you for taking submissions from the public on pricing for taxis and other services. The following are our ideas for improving the taxi system, and making it cheaper and more accessible by the general public.

I am concerned with getting better public transport for Australians and consider that taxis should be considered as part of the passenger transport network, because for some people they are frequently the sole realistic form of transport, especially in off-peak periods.

#### Previous Studies

Three publications which IPART should definitely consult on taxis are the following:

1. Industry Commission. Urban Transport. 2 vols. Melbourne, AGPS, 1994.
2. Swan, Peter. On buying a job: the regulation of taxicabs in Canberra. Centre for Independent Studies, 1979.
3. Warren Centre. Towards a city of cities: sustainable transport in sustainable cities; final report. Warren Centre, Sydney University, 2002.

These publications challenge the basics of the system of taxi regulation in Australia. All three reports are heading in basically the same direction, and this type of consensus deserves IPART's close attention.

The Centre of Independent Studies report by Peter Swan in particular examines very critically the logic behind taxi regulation and finds it badly flawed from both an economic and a social perspective. Therefore a full re-appraisal of the present system should be considered.

I have attached some photocopies of pages from these reports, including the following:

1. Professor Ross Parish's introduction to Swan's report
2. Various pages from the Industry Commission's report examining taxi regulation, with quotes from a number of submissions, including an extract from my own submission to the Industry Commission.

3. Pages from the Warren Centre's report recommending changes to the regulations governing taxis.

The Centre for Independent Studies report was written at a time when over-regulation was common in Australia. It obviously considered that the taxi industry was one of the most grossly over-regulated industries. Since 1979 the trend has been towards de-regulation of highly regulated industries, such as airlines, trucking, egg marketing etc. Little has changed with taxis, and the taxi industry remains a relic of an era when over-regulation was the norm.

### **Problems with Over-Regulation**

There are some bad features of this over-regulation, such as:

1. Prices are too high, mainly because the cost of obtaining a license (or taxi plates) has to be passed on to the consumer.
2. The industry is in effect a cartel, with entry by newcomers being tightly controlled and highly restrictive.
3. One feature of this cartel is trading of plates as a commodity, and this is not in the interest of consumers. On page 4 of the IPART Issues paper it states that there is a steady trend to overseas ownership of taxi licences. (2.1.1) This is unlikely to be in the best interests of Australian consumers, particularly those who find the fares are too highly priced.
4. The tight control and restrictive nature of the industry count against competition. It affects car-pooling schemes adversely. IPART should examine the effects on car-pooling.

In the period 1996-97 there was considerable interest generated in car-pooling largely because of Mr Ros Trayford's company Dynamic Transport Management, and his schemes which were initially publicised by the Government. However little permanent seems to have come from Mr Trayford's schemes, despite the fact that they answered the call of the Government to reduce the numbers of cars on city streets, in order to reduce congestion and pollution.

I would attribute this lack of permanent results to the fact that Mr Trayford's operations had to be tightly circumscribed to prevent him from competing directly with the taxi industry. The penalties which he would have occurred for any service which broke into the taxi industry's territory was a \$10,000 fine for a first offence. This is highly anti-competitive, and too highly protective of an established cartel.

Even services run by migrants that resemble shared taxi services overseas, such as in Lebanon or the Philippines, have a positive social and economic purpose. The only rationale for making them illegal, apart from some safety considerations, is that they compete with an established cartel. But the fact that they operate at much lower prices than the established taxi services means that in a properly competitive market they have a useful function.

5. Multiple hiring is too restrictive and should be extended. The present system, as I understand, is that in cases of multiple hiring, usually from Sydney Airport, all passengers have to pay 75% of the regular fare. This is too generous to the taxi companies. It means that with four passengers the driver gets a 300% fare, or three times what he would get for a single passenger, with very little extra cost especially if all passengers end up at the same destination, such as Central Station or the same hotel.

Therefore I consider that IPART should look at the option of lowering the 75% fare to something more reasonable like 60%.

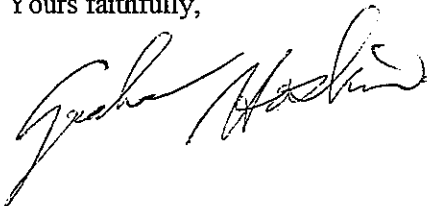
6. As Professor Parish points out in his Introduction to Swan's report, the present system of regulation allows only one type of service, a very high level service to operate legally. Any other type of service is made illegal. The high level service which is legal is very good for the wealthier type of customer who wants the very best service, for example, the businessman who wants a prompt and reliable service to get him to the Airport. However it is not appropriate for the poorer sections of the population who live in urban sprawl areas, and who rely on taxis because public transport is inadequate or totally absent, particularly in off-peak times or late at night. For these people services such as Prof. Parish mentions, which are presently illegal, would be much more suitable.

7. Consideration should be given to greater use of multiple hired taxis in urban sprawl area, well away from railway stations. For example, I live not far from the Menai-Illawong-Bangor area. Because of very inadequate public transport from this area, almost everybody considers that the car is the only realistic form of transport. A lot of these cars simply end up at the same destinations, i.e. Padstow or Sutherland Railway Stations. A continuous shared taxi service operating either as a business, or under a system similar to that envisaged by Mr Trayford could take the great majority of these motorists who live close together, and end up at the same destination. A taxi service carrying about 3 or 4 passengers could be much more frequent than a bus service, and thus much more competitive, and much more successful at getting motorists off the road and reducing traffic congestion.

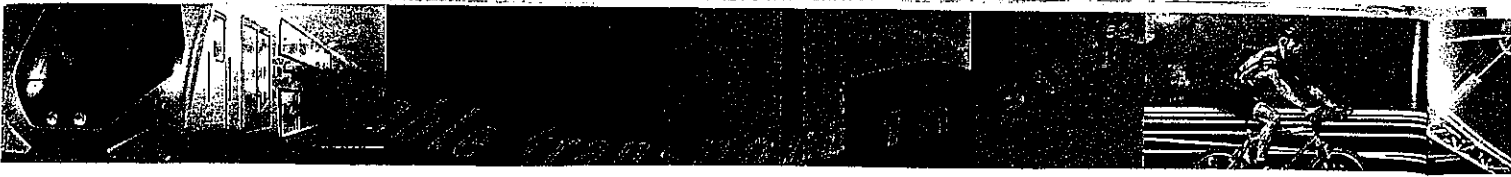
#### Conclusion

Any form of de-regulation and any such systems as I am suggesting would be opposed by the established taxi industry. But that has been the case wherever de-regulation has been envisaged. Because the change would greatly disadvantage those owners who have paid out large sums for taxi plates, any new system would have to be gradually phased in. But at present in an age of de-regulation the taxi industry today makes little economic sense, and the high prices are too punishing for the poorer members of society, many of whom live in urban sprawl areas.

Yours faithfully,



Graham Hoskin  
Assistant Secretary  
Action for Public Transport (NSW)



Warren Centre.

Towards a City of Cities: sustainable transport in sustainable cities  
W. Centre, 2002

### 3d. Improve Sydney's current City Rail system (NSW Government)

Sydney's rail system provides a vital component of its overall transport needs, carrying 13.5 million passenger kilometres each weekday, or almost 10 per cent of total daily travel in Sydney. Over the past 50 years only limited enhancements have been made to the system, although in recent years there has been increased emphasis on infrastructure maintenance, purchase of rolling stock and upgrading of stations. However, the present system is nearing capacity in peak periods on various parts of the network.

The need to invest significant amounts of money in the provision of new public transport equipment and infrastructure to improve public transport's coverage and performance, is discussed under strategy 5. However, in the shorter term, a program of improvement to the rail system needs to be continued and expedited. In particular, improvements to signalling and train control systems and to rolling stock to improve the throughput of passengers in the CBD and near CBD area is required.

### 3e. Amend regulations governing buses, taxis and demand-responsive transport and conduct trials of new services (NSW Government)

More flexible forms of public transport are required. Taxis offer flexible 'anywhere' transport but at a significant cost. Current work practices and regulations mean that taxi transport is not truly 'anytime'. Taxis and similar small vehicles, such as mini-buses, have the potential to fill several roles in the transport system, such as 'bus' services on low-demand routes or at low-demand times, ride-sharing for journeys to work to small employment locations and one-off trips for shopping.

It is recommended that a major public review be conducted of the current regulations applying to the ownership and operation of public vehicles to encompass such issues as:

- potential restructuring of the taxi industry to make it a more significant player in urban transport;
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  - ▲ use of mini-buses as taxis and dial-a-ride vehicles
  - ▲ better utilisation of cab sharing and introduction of new forms of demand-responsive transport, such as 'continuous multi-hire';
- a common 'transit ticket' that could be used for taxis as well as for other public transport vehicles.



Low floor mini-buses can be used for demand-responsive services.



Garden, a Bollywood-style show. Photo: Fiona Morris

flies tells two parallel f forbidden love. an stars in the Mughal a female court dancer rbour's a forbidden r for a young prince. In dern scenes, the gay ills for his best friend, and les against his parents' ations that he will marry. ur culture, marriage is sacred and formal bind ... a culture it's not easy to i identity as a gay man,"

said Chandrasekaram. "There are people who think we don't have gay men and women in South Asian society."

Ayappan hopes the audience will see more than a bloke in drag when he steps onto the stage.

"I want to show our community that we do exist," he said. "To teach them to see that we are normal - even if we are dressed up in sequined saris."

Bodice rippers - Page 21

# Fels calls for end to taxi owners' stranglehold

Robert Wainwright

TAXI fares could be slashed by a third if the State Government moved to break the stranglehold on the industry by wealthy taxi owners, according to the former chairman of the Australian Competition and Consumer Commission, Professor Allan Fels.

In an interview last night with the ABC, Professor Fels, now dean of the Australia and New Zealand School of Government, insisted that taxi plates - which cost about \$370,000 each - were overvalued by \$800 million in NSW and \$3 billion nationally. This had led to unrealistic pressure on returns for investors and, ultimately, overcharging of customers.

"The public could be paying about a third less if we let any competent, well-qualified person of good character drive a taxi," he told the *Stateline* program in an interview shown only in part. The *Herald* has obtained the transcript. "There's a huge pocketing of unnecessary payments by the public into the taxi industry and the people who control it. We're certainly not talking about taxi drivers as such, we're talking about the owners of taxi licences, essentially."

Professor Fels, long a critic of the industry, called for greater deregulation and the following of New Zealand's lead with the release of more taxis to create competition and bring down the cost.

"Governments [must] liberalise the availability of licences. I'm not saying total deregulation - it's really important that anyone who drives a taxi has driver competence, good street knowledge, and is especially of good charac-

ter. But subsequent to that, there shouldn't be an additional restriction on who can enter the market. Experience overseas - for example, in New Zealand - has seen a sharp increase in the number of taxi drivers when they deregulated, and a big fall in prices. And better service, too."

Professor Fels was critical of the power held by a small group of investors and particularly of the control wielded by the businessman Reg Kermode, the longtime Sydney cab king and founder of the payment system Cabcharge.

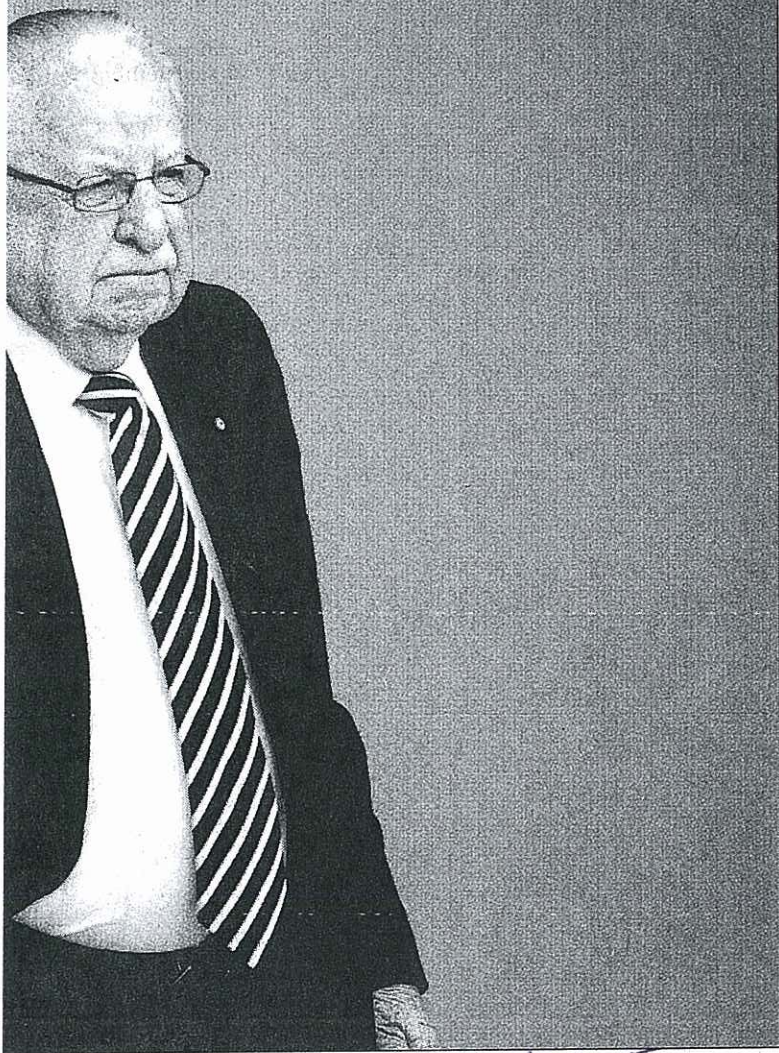
Asked about Mr Kermode's influence, Professor Fels responded: "I don't know the exact secrets of his influence, but it's extremely unhealthy for the NSW public. Governments all around Australia ... have been captured by lobbying by the taxi industry at the expense of the public ... It's about time that we tackled the problem seriously. A lot of important bodies - the Productivity Commission and the ACCC and the National Competition Council and others - have studied the system, said it's bad for the public, called for reform, and nothing's happened."

Mr Kermode was not interviewed and could not be contacted for comment last night.

Howard Harrison, of the NSW Taxi Council, denied that Cabcharge was too powerful: "Cabcharge doesn't exercise a lot of control over the industry in any way, shape or form. That's just not true," he told the program.

"We don't make decisions to satisfy Cabcharge, we make decisions to satisfy all of the industry, because by doing that, it serves Cabcharge's purpose."





led the industry. Photo: Sahlan Hayes

ATTACHMENT 4

for- two or three times a week," a  
work middle-ranking official re-  
none membered. "If you look out your  
me window," he said Kermode  
s, would say, "you'll see another  
s, new cab [going] past."

old John Walker, a former  
re- director-general of the Trans-  
ty the port Department, described the  
lobbying from Kermode as  
"constant".

gree, "I was always friendly with  
le's Reg Kermode," another said.  
ing "You would get a phone call from  
ch- Reg and invariably a request  
res. would be made."

ting This was nothing unusual, it  
ibe to seems. So close were these peo-

en so few licences?

chno- ple during the 1980s and early  
d also '90s, the players and the regulat-  
ors, that the exchange of gifts at  
Christmas was not uncommon.

nit the "At the ministry, a big box of  
1999, scotch would arrive that was given  
to us from the Taxi Council,"  
his the *Herald* was told by one former  
official. "Ken Trott [a former  
director-general] would get the  
Red Label, and we would get  
the Red Label."

er "That went on for years. The  
new girls would get the chocolates  
e and the blokes would get scotch  
g me ... It didn't feel like a bribe but it

was something the industry  
gave us."

Parliamentarians also got the  
Kermode treatment. Bruce Baird,  
the transport minister in the  
Greiner government, said the taxi  
king featured regularly in his di-  
ary. "He was constant. He was  
coming up to see me regularly."

And it wasn't just boozy din-  
ners and Christmas gifts; Ker-  
mode befriended bureaucrats.  
Four years ago, Anne Rein, the  
wife of Rod Gilmour, a depart-  
mental executive director, be-  
came a senior executive at  
Cabcharge on an annual salary  
of more than \$200,000.

In 1982 the Government was  
talking about introducing 100  
extra taxis to get drinkers home  
after the introduction of random  
breath testing; two years later, a  
departmental review recom-  
mended lifting entry restrictions  
from the hire car industry, intro-  
ducing new competition for taxi  
fares; and in 1988 the Greiner  
government threatened to fully  
deregulate the industry.

But the industry's leaders, in-  
cluding Kermode, saw off all  
these threats. The department  
released only 40 plates in 1982,  
not 100. Outrageous licence fees  
kept a lid on the rival hire car  
industry for many years, and the  
1984 departmental review was  
largely ignored. And as for the  
premier's efforts at broad dereg-

REG KERMODE'S power is eas-  
ily quantifiable. Cabcharge, of  
which he remains executive  
chairman, last year turned over  
\$1.15 billion. The company's net  
profit had grown by 20 per cent  
each year for four consecutive  
years. He owns Cabcharge  
stock worth more than \$7 mil-  
lion and over the past eight  
years has received more than  
\$9.4 million in wages.

But before Cabcharge was  
floated his wealth was harder  
to gauge. In Victoria, licence  
sales are listed on the Bendigo  
Stock Exchange, but north of  
the border things are done dif-  
ferently. Here, trades take  
place in the shadows. Unlike  
hoteliers and solicitors and  
landholders, the identity of taxi  
owners remains secret - so,  
too, what they pay for plates.  
Although the number of li-  
cences in Sydney has grown at  
about 1 per cent a year since  
1990, that growth has lagged  
well behind the rate at which  
gross national product, for ex-  
ample, has grown.

Nineteen years ago, demand  
for new plates already ex-  
ceeded supply. This is why, in  
the first seven years of last  
decade, the value of taxi plates  
doubled. Since 2001 they have  
doubled again. "Why have  
there been so few licences is-  
sued?" the economist Peter  
Abelson asks. "Anybody can  
actually buy a licence from the  
MoT - that's what it says on  
the website."

The reality, however, is very  
different. "Although the issue  
of licences has been provided  
for in the legislation since  
1990," a 2004 departmental  
file says, "the policy of the de-  
partment has been to make it  
known that licences are readily  
available on the open market."  
"As a consequence, the sup-  
ply of unrestricted taxi li-  
cences in NSW had continued  
to effectively be constrained  
to what was in existence pre-  
1990. This in turn has led to a  
general increase in the value of  
these licences."

In 1990, a taxi plate in  
Sydney was worth about

ulation, Baird now says: "It was  
not a major period of reform,  
which I think is a great pity."

O ver the years, other re-  
forms have been sty-  
mied, too. Confidential  
files also reveal the Taxi  
Council - which owns the only  
taxi driver training curriculum re-  
cognised in NSW, according to de-  
partment files seen by the *Herald* -  
opposed moves by the Govern-  
ment to set up an independent  
driver training assessment centre.  
It never happened.

A *Herald* investigation revealed  
this week that companies run by  
Kermode have received the  
largest share of free taxi plates is-  
sued by governments stretching

\$155,000, this year it hit  
\$380,000. For Kermode, who  
owns six taxi plates in his own  
name, this tacit policy has  
boosted his personal assets by  
\$1.35 million. And the  
Cabcharge networks, which  
own about 350 plates in NSW,  
and 441 around the country,  
have profited handsomely too.

B efore the Sydney  
Olympics, several  
scathing reviews  
found hundreds of  
new taxis were urgently  
needed. Under pressure, Carl  
Scully, as transport minister,  
had promised to release 850  
more plates and these were  
being introduced. The value of  
plates plummeted.

As these licences for wheel-  
chair taxis were being issued,  
alarm bells were ringing inside  
the department at the way the  
tenders were being managed.  
Kermode's companies domin-  
ated the take-up of new  
licences, securing 73 per cent  
of the first 120 plates issued.  
Officials had warned Scully's  
office that some networks  
were buying up plates and  
storing them off the road to  
ensure taxi licence values were  
not further damaged. Three  
years after Scully began  
pledging more taxis, just 7 per  
cent of the 850 he promised  
were on the road.

The department wanted  
changes to the terms of the  
tender to ensure plates were  
immediately put to use, and  
they wanted a more "transpar-  
ent" way of releasing them.

According to documents ob-  
tained by the *Herald*, a public  
servant was told to obtain  
agreement from Kermode be-  
fore issuing licences by auc-  
tion. As far as the *Herald* has  
been able to ascertain, the  
Transport Ministry has never  
issued any taxi licences via  
public auction. Scully says that  
"occasionally issues affecting  
the industry or stakeholders  
required consultation from my  
department and that was  
entirely appropriate".

Linton Besser

back to Neville Wran. This week  
the new Transport Minister, Dav-  
id Campbell, had little to say  
about the taxi industry. And, per-  
haps more ominously, neither has  
the Opposition. Kermode's  
Cabcharge has openly donated  
more heavily to the ALP over the  
years, but the conservatives have  
received tens of thousands, too.

The Greens have called for an  
inquiry into the way taxi licens-  
ing has been managed by the  
Government. But the Opposition  
Leader, Barry O'Farrell, has said  
only that "we're happy to have a  
look at what the Greens' terms of  
reference are".

As it turns out, O'Farrell and  
Kermode go way back. The taxi  
tsar attended his wedding.



# Train, bus, ferry use close to 2016 target already

Sydney Morning Herald, July 28, 2008

## Cars will eat Sydney, even with \$50 toll

Linton Besser  
Transport Reporter

PUBLIC transport is booming, with peak-hour use almost at the Government's target level for 2016. Figures produced by the Transport Data Centre show 74.6 per cent of peak-hour trips into the city were on buses, trains and ferries in 2006.

The State Plan set a target of 75 per cent by 2016, and patronage over the past 12 months has soared well beyond the Government's high-growth projections.

In 2006, the proportion of journeys to work on public transport was 22.1 per cent, significantly up on the 20.1 per cent registered in 2004, when 40 per cent of peak-hour CityRail trains were running late.

Experts are divided on the reasons for the increasing use of buses and trains, but the Transport Minister, John Watkins, said yesterday that strong jobs growth and increasing petrol prices were partly responsible.

"Commuters are telling us they want a better public transport system with better infrastructure, cheaper travelling options and improved customer service," Mr Watkins said. "The State Plan sets am-



Morris lemma: mini-bus solution to shortage. Photo: Channel Nine News

bitious targets, but the lemma Government is committed to meeting them.

But the recent popularity of public transport does not necessarily mean car use will decline in the longer term. Ministry of Transport documents show it is likely to increase by more than 10 per cent by 2016.

And while the patronage figures are promising for the Government, they also present a huge challenge. So many commuters are trying to board trains that the network is reaching breaking point. Trains are sometimes so full they leave passengers behind, and take so long to unload they slow fol-

lowing trains and threaten to wreck the timetable.

Projected expenditure on new rail carriages, as well as on heavy infrastructure such as the Clearways program of capacity upgrades, is likely to fall well short of demand if the trend continues, and yet more expenditure will be rapidly required. The Government has the difficult task of absorbing more passengers with expiring assets that need urgent renewal.

Bus patronage is also steadily climbing, but because only so many people can fit inside a bus, patronage data is unlikely to show the full picture of how many more passengers are waiting for services.

From Page 1  
recently completed initial Transport Scenario Modelling for the contribution of a range of current, proposed and potential actions on State Plan targets for transport, land use planning, air and greenhouse.

"Growth in vehicle travel remains the major challenge for meeting the cleaner air target and implementation/acceleration of identified public transport improvement and travel demand management strategies will be needed, together with development of additional new transport strategies, in order to deliver the emission reductions necessary to meet the cleaner air target."

The Greens MP Lee Rhiannon said that the leaked documents

showed "the Government is floundering".

"The challenge of levering people out of their cars and onto public transport, while critical to combating climate change, seems beyond the capacity of the lemma Government," she said.

The most crucial element of the Government's transport management plan, according to the modelling, is the success of strategic bus corridors.

These were to be accelerated, according to the Government's other 2006 glossy document, the Urban Transport Statement.

"Modelling also suggests that failure to implement integrated bus networks would have a significant detrimental effect on performance against targets, as

non-integrated bus scenarios performed worst," it says.

The Government had pledged 80 individual bus priority works by 2012 to create 43 corridors with bus lanes, electronic priority at traffic lights and improved bus reliability. But a breakdown provided to the Herald late last year showed only 17 corridors were in operation, and only nine showed any substantial increase in patronage since the bus priority measures were put in place.

The Transport Minister, John Watkins, said: "The State Plan set ambitious goals on a range of issues over a decade.

"We're working hard to meet those goals, and will continue to do so."

Yesterday the Premier, Morris lemma, even suggested when Government would consider introducing 12-seat mini-buses in an attempt to provide flexible services to suburbs that are poorly served by public transport.

It is not new. In the early 1970s, mini-buses were introduced

into London to access areas in which larger buses could not properly navigate.

The concept will be presented at the mobility forum proposed by the Premier to discuss ways of improving the flow of the transport network in the wake of the success of World Youth Day. He

also suggested restrictions on peak-hour movements of trucks carrying containers from Port Botany and increased enforcement of laws prohibiting queueing at intersections.

Mr lemma called yesterday for submissions from the public on ways to improve CBD traffic.

ATTACHMENT 3



## THE AUTHORS

PETER L. SWAN is Senior Lecturer in Economics within the Faculty of Economics at the Australian National University. He was educated at the Australian National University and at Monash University.

He has worked with the Tariff Board (now the Industries Assistance Commission) and has also taught at the University of Chicago Business School, and at the University of Hawaii where he was Visiting Professor during 1979.

He has published a number of articles on economic theory and policy related subjects in journals such as the *American Economic Review*, the *Economic Record*, the *Journal of Political Economy*, the *Review of Economic Studies*, the *Australian Journal of Management* and *Quadrant*.

ROSS PARISH is Professor of Economics at Monash University. He has taught also at The University of Sydney and the University of New England. He has held visiting appointments at Stanford University and at Oxford and served with the World Bank.

He has written extensively on agricultural economics, consumer protection and rent control.

### Acknowledgments

I wish to thank officers of the Transport Section of the Department of Capital Territory whose unfailing co-operation made this study possible. Thanks also go to Aerial Taxi Cabs and individual owners and drivers in the industry. I also wish to thank Ted Sieper for drawing my attention to the way in which the seniority plate allocation system appears to reconcile the interests of owners and drivers but in fact only assists owners. I also thank H. Lawrence Miller for comments.

P.L.S.

ON BUYING A JOB, CIS

## INTRODUCTION

Ross Parish

Throughout the world, the taxi industry attracts government regulation. Government agencies determine what vehicles may be used, who is eligible to receive a driver's or an owner's licence, where and how taxis may operate, and what fares may be charged. They also regulate the number of taxis that may operate in any area. Almost without exception, the licensing power is used to restrict the number of taxis to fewer than would operate in a free market. As a result, taxi licences (or plates, or medallions) acquire a scarcity value—a value which—unlike, say, the value of conveniently-sited land—does not reflect the niggardliness of nature, but is entirely artificial. It is not inappropriate that Canberra, the bureaucratic capital of Australia, should follow the most restrictive taxi-licensing policy of all the capital cities, as is indicated by the fact that Canberra licences fetch the highest prices.<sup>1</sup>

The near-universality of the premium attaching to taxi licences is impressive evidence in favour of the "capture" theory of regulation, which asserts that, whatever their public interest rationale, government regulatory agencies tend

<sup>1</sup> By contrast, Washington, D.C. follows the least restrictive policy of major American cities. Taxi licences can be obtained for a nominal fee of less than \$US.200.

The price of a Canberra licence of about \$40,000 is comparable with prices prevailing in 1978 in a number of foreign cities, e.g. New York, \$US.50,000; Boston, \$US.40,000; Hong Kong, \$HK.310,000 (=A.57,000).

to become the creatures of the industries they are intended to regulate. But, in a sense, the evidence is *too* impressive, since many examples of regulatory behaviour do not fit the capture theory. One is therefore led to ask whether other factors may also be at work. And one does not have to look far: the governments that regulate the taxi industry usually also operate, and heavily subsidize, public transport systems.

Fewer taxis, operating within a regulatory straight-jacket, means less competition for buses, trains, and trams. When one considers, further, that public transport operations are dominated by powerful unions anxious to preserve their jobs and privileges, the restrictions on the taxi industry can be seen to be the most natural thing in the world. The one "producer" pressure-group likely to benefit from an expansion of the taxi industry, viz. non-owner drivers, has, as Dr. Swan points out, been appeased, and given a stake in the restrictive status quo, by the device of allocating new licences to non-owner drivers, on a seniority basis.

As well as restricting the number of taxis, regulation has stifled the development of innovations in taxi and taxi-like operations. Only one type of service, of relatively high quality (except sometimes with respect to availability) is offered. But, as any visitor to Asian cities can observe, a variety of services utilizing vehicles ranging from mini-cars to mini-buses is possible. These include mini-cabs, multiple-hiring taxis, and jitneys; the services they provide are intermediate in quality and cost between taxis and buses. The most noteworthy characteristics of these transport modes are their flexibility, adaptability, responsiveness to market demands, and competitiveness—features which are closely related to dispersed ownership, owner-operation, the possibility of part-time operation, and the absence of unionization. They are—or rather, would be, if permitted—the spontaneous creations of the market economy, and would provide potent competition for arteriosclerotic State-operated systems.

Dr. Swan's examination of taxi regulation in Canberra is fired by indignation and graced with humour. It will surely stimulate thought and discussion concerning regulation and urban transport issues generally. Not the least of its contributions is to remind us how much the "urban transportation problem" is of our own making.

## ON BUYING A JOB The Regulation of Taxicabs in Canberra

Peter L. Swan

The price of an item in short supply, other things being equal, will be high. Since jobs are scarce in Canberra it is not surprising that the price of a job, particularly one needing no complex skills, is high. But surely workers are paid for doing a job and are not expected to outlay vast sums to purchase a job, especially when representatives of job holders paint a gloomy picture of long hours for very little return. Would you outlay in the vicinity of \$40,000 for a piece of stamped metal sheet costing about 50 cents to produce which entitles you to spend another \$7,000 to \$10,000 and work up to 18 hours a day seven days a week for a return reputed (by industry sources) to be very little more than that received by a "pick and shovel" labourer?

Of course, you will be your own boss. You can choose when to work and when not to work. But it may be hard to relax with the boys knowing that the \$40,000 outlay, without regard to additional capital requirements, means that you must earn \$4,800 annually before you make a penny for yourself, assuming that you actually borrowed the money at 12% p.a., or could have invested your own money elsewhere at a similar rate. With this interest burden you will probably organize sub-contract workers to take over your responsibilities when you are relaxing or asleep. You incur the added burden of being a boss in your own right.

by investors, especially from Asia: 'these overseas investors have tended to link the value of a taxi licence to the interest rate for investments ... [the] return on investment can be 12% to 14% per annum' (Sub. 94, pp. 31-32).

The Commission observes that, on that basis, the \$2.5 billion now invested in licences returns about \$320 million a year. Since there are about 160 million taxi hirings a year, that return is equivalent to \$2 for each hiring. Assuming 10 per cent goodwill value, on average every ride costs almost \$2 more than it would do if the price of a taxi licence only reflected its goodwill.

### The social impact of regulation

Given that restricting taxi numbers results in higher fares and lower levels of service than might otherwise occur, it is important to examine which socio-economic groups are most affected. The effect of higher fares on people with disabilities is discussed in chapter A8.

As a percentage of income, people with the lowest earnings spend the highest proportion of income on taxis (see figure B4.1). This means that people with lower incomes are currently being 'priced-out' of the taxi market and bear a disproportionate amount of the burden of high licence values. Restricting taxi numbers is regressive in terms of income distribution.

Travers Morgan found that in Adelaide in 1988 two-thirds of taxi users had personal incomes of less than \$18 000 a year (see figure B4.2). Therefore, any decreases in taxi fares would be relatively more beneficial to lower income groups.

The entry barriers which increase taxi fares fall particularly severely on people with disabilities and on other people who are not able to own and drive their own vehicles. These groups can benefit from the door-to-door service offered by taxis. Although some groups receive subsidies, taxis are still more expensive than other forms of public transport. As the Central Sydney Community Transport Group said:

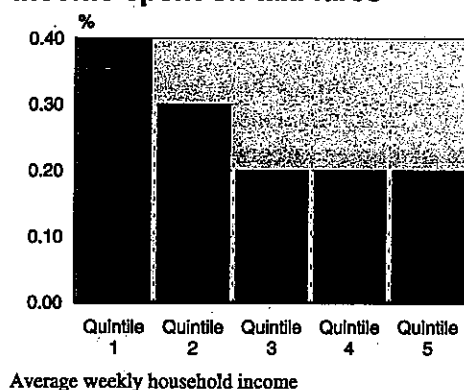
Take the case of a person who needs to use a wheelchair. In order to travel to work, they will at present need to take a modified taxi. Though the cost of this is subsidised in NSW by 50%, it remains prohibitively expensive. It can sometimes cost over \$100.00 per week just to commute, let alone travel to keep appointments or to socialise. This is a barrier to gaining employment on top of the reluctance of many employers to take on someone with a disability. (Sub. 82, p. 5)

Mr Graham Hoskin added:

[People attending church in Liverpool] have either minimal or non-existent public transport at nights and on weekends, and are heavily dependent on taxi services at these times. But the cost of a taxi trip from Liverpool or Cabramatta Railway Stations to their

homes in these areas is prohibitive, and the further to the west they are in the urban sprawl, the worse it is. Most of these people are lower income people; many are single mothers, others are pensioners. Even one taxi fare under our present regulated system is a severe bite into the budget, and it can in fact make the difference between having enough to feed the children and not having enough. (Sub. 187, p. 2)

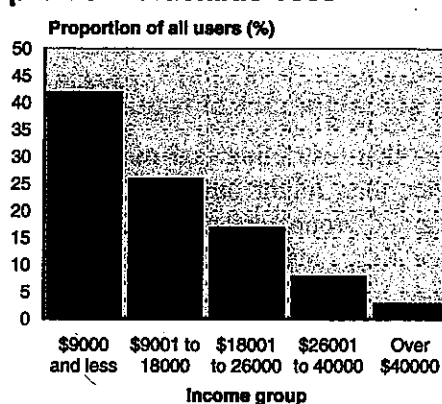
**Figure B4.1: Proportion of income spent on taxi fares**



Figures represent average weekly expenditure by capital city households. Quintiles represent household income distribution within 5 groups, where quintile 1 represents the lowest average weekly household income and quintile 5 the highest.

Source: ABS 1990a

**Figure B4.2: Taxi user income profile — Adelaide 1988**



Source: Travers Morgan 1988b

### Innovation and market segmentation

It has been argued that innovation is stifled by the restrictions on entry into the industry. Currently, taxi users generally have only one type of service — the exclusive ride taxi — as an option. There is little incentive to choose one taxi over another, since prices are fixed and uniform. Shared ride taxi services, such as jitneys or mini-buses, would allow more flexibility and be more responsive to passenger needs. They are to be found in other countries including the United States (for example, at airports) and New Zealand (for example, Palmerston North). Multiple-hire taxi journeys are allowed in Australia but are rare, usually being confined to peak periods at places such as airports and race tracks.

Currently all taxi services are homogenous, the only variations being the (generally) slight differences in the type of vehicle driven and whether or not the vehicle belongs to a radio network or a computer dispatch system. Allowing prices to vary, and open access to the industry, would enable more market

## The R-word

Ross Gittins is daring to utter the R-word. That's R for recession. **Page 21**

## The hidden danger

Higher oil prices will result in more coal-to-oil production. **Opinion - Page 15**

approval rating slipped 2 points to a still-lofty 67 per cent. The Opposition Leader, Brendan Nelson, who advocated a fuel excise cut of five cents a litre and successfully exploited Labor's internal divisions over FuelWatch, was mildly rewarded. His approval rating rose 4 points to 38 per cent.

The poll finds 78 per cent want the Government to do something about petrol. Of these, two-thirds want fuel excise cut and fewer than a quarter back FuelWatch.

Last week in Japan, Mr Rudd put pressure on oil-producing nations to lift production and accused them of distorting the market by refusing to do so.

The Finance Minister, Lindsay Tanner, criticised petrol subsidies and caps on prices in Asian countries, saying they distorted the market and delayed the development of new technology.

"What we are seeing here ... is a once-in-a-lifetime transformation in Asia where hundreds of millions of people are moving up from very basic peasant lifestyles into lifestyles that are much more resource-intensive, like ours."

That benefited Australia by driving the mining boom but also drove up petrol prices, he said. "It is important for Australia to put pressure on these other countries but of course we can't force them to make those changes."

The Opposition agreed fuel subsidies were unsustainable but said Australia had no right to lecture neighbours.



\$150 a week on taxis ... Rachel Scott-Coombes, left, with three of her children, and her neighbour Audrey King, with her children. Mrs King usually relies on cabs. Photo: Peter Morris

# They build a suburb, then find the buses don't fit

Ellie Harvey

IF YOU think petrol prices are hurting, spare a thought for the residents of Glenmore Park, who live in one of Sydney's transport black holes.

Glenmore Park, opened in 1990, was designed without consideration for public transport, an urban planning expert says. The bus company serving the area says it is difficult to manoeuvre around, and residents say buses are infrequent and unreliable.

So much so that Audrey King sometimes spends \$150 a week on

taxis. The mother of four does not have a driver's licence, and her husband works irregular hours as a doctor at Nepean Hospital, so she has few options.

"Ninety per cent of the time I catch a taxi; buses aren't reliable," she said. "I would definitely catch the bus if there was more buses. I don't want to waste that kind of money on taxis. I hate it. It's the only choice I have ... They [buses] just don't come as frequently as you would like them to come and if you miss it you have to wait 45 minutes to an hour."

Everybody complained about

## Off the tracks

Macquarie Park is supposed to become the fourth-largest CBD in Australia, but the dumping of a rail link threatens its future. **Page 5**

it, Mrs King said. "I think what's happened is that the developers have put up all these homes and the infrastructure wasn't there to accommodate the number of people."

Bill Randolph, from the City

Futures Research Centre, at the University of NSW, said Glenmore Park was a classic example of a 1990s design of cul-de-sacs and small, bending roads. "The key thing is, it was never designed for public transport ... It was assumed everybody would just be driving cars."

Professor Randolph said many residents lived a long way from "feeder" bus routes. "Hopefully new urban areas won't fall into the trap of being a 'spaghetti' suburb like Glenmore Park."

He said new developments required better planning so

people "don't use a litre of petrol to buy a litre of milk".

Mrs King said her lifestyle was affected. "Sometimes I think I'd love to get the kids and go [somewhere] and then you think about the process of getting there and go: 'Bugger it, let's not worry.'"

She often gets a lift to Penrith with her neighbour, Rachel Scott-Coombes. Mrs Scott-Coombes, who also has four children, said she had no option but to "drive everywhere" because she did not have time to wait for public transport. She

Continued Page 4

# alf-Nelson: Costello's steady hold

Phillip Coorey  
Chief Political Correspondent

PETER COSTELLO has been given cause to rethink his future, with

the Government, due mainly to high petrol prices, Labor would still trounce the Coalition by 56 per cent to 44 per cent if an election were held today.

There is a glimmer of good news

greater pressure on Dr Nelson for a Coalition win at the Gippsland byelection on June 28. The poll found 37 per cent of voters preferred Mr Costello as Opposition leader, compared with 29 per

cent last canvassed preferred Coalition leaders, in December. He hasn't managed to change perceptions in the six months he's been in the leadership," he said.

While Mr Turnbull, the shadow



## Brotherly thrills

The Sydney stuntman Nash

## Denials denounce

A client of Keddlies Lawyer: legal firm at the centre of allegations of professional misconduct, has denounced denials by the firm that it were never asked to sign forms containing blanks. P

## Doctor ignored

ATTACHMENT 8

## *Attachment 8*

### **Good News Month for Car Share Schemes**

Ellie Harvey  
June 16, 2008

WITH petrol prices soaring and public transport overcrowded and unreliable, an increasing number of people are sharing the burden of owning a car.

Charter Drive, a car-sharing operator that enables one car to be used by up to 10 people, is experiencing growth in membership as people try to reduce expenses.

"There's definitely been a greater uptake in the last six weeks," Paul Reichman, the general manager, said.

"Enrolments have gone up already, but I'd think it would go up further in the next six weeks due to the [petrol] spike."

Charter Drive has 700 members, but expects to reach 5000 in the next two years. "The reality is, in the short term there's more pain, but in the medium term people [will] sell their cars and it's better for the everyone."

Mr Reichman said customers would not see a lot of variation in the price they paid, even if petrol reached \$2 a litre, because price variations were factored into the cost.

Flexicar's co-founder and chief executive, Monique Conheady, said the business had received 92 applications in the past two weeks, and expected the number of monthly applications to double this month. Almost 700 people have joined this year.

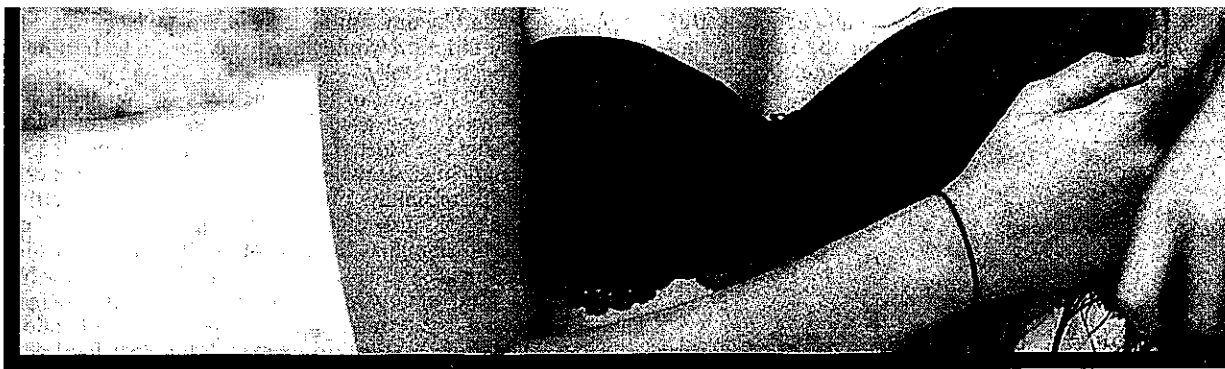
Ms Conheady said that by "sharing the load", Flexicar could balance the increasing costs of petrol with its growing membership, so that price rises to members were minimal.

The City of Sydney council has begun a two-year trial of car-share parking, said a spokeswoman, Leanne Lincoln. The council has provided more than 100 on-street car spaces.

"Car-share schemes are especially suited to the heavily congested residential precincts immediately surrounding the CBD, where there is a very limited amount of on-street parking, yet a very high and growing demand for parking," she said.

Christoph Doerfel is a Charter Drive member. He cycles as much as possible and said he needed a car only occasionally.

"You have to admit that if you only pay \$3.30 an hour ... it's a fantastic service," he said.



Fright night ... Georgia Enter, left, with her friend Hannah Leser. Georgia was fined \$220 after being arrested while waiting to

ATTACHMENT 9

# On the

Herald 18-19 Dec. 2009

Police don't always have it easy in party towns such as Byron Bay, but there's a thin line betw

**Dude**—noun Colloquial 1. An adult male. 2. A person who is well regarded, especially as being fashionable and up-to-date. 3. (a familiar form of address.) 4. Originally US, a person who is stylishly dressed in a somewhat ostentatious way. 5. There came a jackaroo on a visit to the station ... He was a dude with an expensive education and no brains—Henry Lawson. (Macquarie Dictionary.)

**G**orgia Enter's biggest mistake on Saturday night was probably calling the policeman "dude." She realises now she should have called him sir. That might have prevented what was to follow. Still, she can't understand – nor can her parents and friends – how the police could treat a 15-year-old girl in the way she describes.

It started with a garage party at Lennox Head, a 20-minute drive south of Byron Bay, last Saturday. The party was closed down by police about 9pm because the lease on the house had expired. No one was entitled to be using the place, let alone holding a party there.

Suddenly about 250 teenagers were on the street. Some of them were drunk, although Georgia was not among them. Those who know her say she never drinks.

About 10pm the police came by in a paddy van and told the crowd to move on. Georgia heard one of them say to a colleague: "There are f---ing kids all over the f---ing street."

At 10.50pm Georgia was at the bus stop with friends waiting for a mother to pick them up. The mother was late but only a few minutes away. The police drove by once more.

"You again?" the officer said to Georgia, recognising her from before. "I told you to move on."

"I'm just about to get a lift back to Byron," he replied. "I told you to move on," he barked. Dude, my friend's mum is coming in about two minutes."

"I am not your dude," the officer said, visibly angry. "Get in the back of the van. You're coming to the station."

"I am not coming with you," Georgia replied. "I have done nothing wrong. I am waiting for my friend's mother. She'll be here in a minute."

The policeman was incensed. He grabbed Georgia by the arm and dragged her to his paddy wagon.

"Ow ... let go of me," she said. "You're hurting me. I am not getting in there."

The officer pushed her inside and shut the door. Her friends looked on in shock. One asked the police if she could go with Georgia. She could see how frightened she was. This girl was warned she, too, would be arrested unless she moved on.

Georgia rang her parents from the police van. "These cops are being f---ing arseholes and have got me in the back of the van," she wailed. "I've done nothing wrong." One of the two arresting officers showed Georgia his middle finger.

"You just put your finger up at a 15 year-old girl," she told him.

He'd done more than that. Based on Georgia's and her mother's account, he'd arrested a minor for sitting in a public place. He'd failed to inform her parents of her arrest. He'd placed her in a police van on her own. He hadn't explained why she was being arrested. He'd grabbed her forcefully by the arm and been so intimidating as to leave her with a sense she might be in peril. "I was so scared," she said a few days later. "I thought he might just drop me off on the side of the road and bash me up."

I have known Georgia Enter for five years. She has been my younger daughter Hannah's best friend since their days at Byron Bay Primary School when she – Georgia – was school captain and dux of year 7.

Three years later she was still excelling. On Monday morning (two days after her arrest) she was awarded prizes for topping year 9 courses in two subjects. Those who know her regard Georgia as among the best and brightest of her generation, possessed of a vivacious personality and a fierce, questing intelligence.

"You are obviously intoxicated," Georgia claims the officer said to her when she was escorted into Ballina police station.

"I am not intoxicated," she insisted.

"Look how bloodshot your eyes are," he said. "I have been crying," she said.

Georgia's mother, Elizabeth Enter, called the station from her mobile phone. Elizabeth is a formidable woman. A former prison psycho-

logist with nearly 20 years' experience in trauma counselling and mental health and drug and alcohol-related issues, she was educated in South Africa under the old apartheid regime. She has seen police brutality first hand. She was now demanding to know why her daughter was in custody.

"We've taken her in because she is intoxicated," the officer said.

"Why didn't you ring me? Why have you just put her in the back of a paddy wagon and not told me what is going on. She is 15 years old."

Elizabeth claims the police officer became irate, telling her to be quiet while he talked. She refused to be silenced. The signal dropped out. Georgia by this time was in a small holding cell on her own.

Georgia's mother and father arrived a few minutes later. "Why have you got my daughter here?" Elizabeth Enter demanded again.

"Because she's intoxicated," one of them

Georgia's mother is a prison psychologist with experience. She was educated in South Africa under the apartheid regime. She has seen police brutality

replied. "Well then, give her a breath test now," her mother insisted.

"With pleasure," the officer said.

The reading was 00.

"Well, she looked intoxicated," he said.

Elizabeth began shouting at the police. There were four of them.

"Get your missus under control," the arresting officer said, turning to Georgia's father, Hans Enter.

"In our family," Elizabeth fired back, "the missus isn't brought under control. She has equality."

Hans, a teacher and former trainee Jesuit priest, attempted a private conversation with the arresting officer. The officer brought up the fact that he'd taken exception to being called "dude".

"If that was an issue why didn't you tell her?" Hans suggested quietly. "What do you like to be called?"

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