

**Supplementary
Submission
No 44a**

INQUIRY INTO NSW TAXI INDUSTRY

Name: Mr Paul Fletcher

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The Select Committee on the NSW Taxi Industry
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Senators,

I am writing with a supplementary submission on the basis that I was told, prior to putting in a submission, that there would be no verbal submissions. This has turned out to be wrong and the only verbal submissions were by invitation I was told. I also note that a number of submissions were accepted despite being quite late. I was told that a supplementary submission would be welcome.

This submission, like my previous one, is based on about thirty six years in the taxi business as a driver, the last thirty as an owner-driver.

On reading the public hearing transcripts I became concerned about some of the questions, answers and statements. I believe they deserve a response because the results of this enquiry may have far reaching results based on some false and limited information.

There seems to be a vast amount of information from the disabled lobby. The number of disabled passengers we carry is minimal in relation to overall customers and, while the disabled are entitled to the same level of service as others, their well organized lobby should not skew the findings to any degree.

Along these lines there was some discussion regarding a single type of vehicle as a taxi. The cost would be astronomical in our limited market, thus pricing it out of range within our fare structure. Taxis Combined in Sydney (now Combined Communication Network) brought out a number of London Metrocabs as a trial in the eighties and nineties. They were a complete failure. The entire powertrain had to be changed, i.e. engine, transmission and differential as they were simply not up to the terrain and traffic conditions of Sydney. The cost of importing and then modifying them was outrageous and, I believe, many passengers were not impressed with them. The great "Checker Cab Company" of the U.S.A., which had manufactured purpose built vehicles for the huge American taxi market for donkeys' years, went broke many years ago. A great percentage of passengers do not want to travel in a WATS type vehicle for many reasons; they can be difficult to step up into and get down out of, they don't like the sliding doors, many aged people feel that to be seen in one implies to their neighbours and friends that they have become infirm, many don't like the ride, among other things. It should also be noted that many drivers are either unsuited or unable to deal with some of the disabled passengers thus everyone driving such a vehicle may not provide the service desired.

There seems to be a strong focus on Cabcharge by at least one of the Committee. May I say that, as a taxi driver and owner, I believe Cabcharge has been great for the business and its customers: It's just not fashionable to say so. Created by Taxis Combined and Yellow Cabs in 1976 it was aimed at increasing the business use of taxis by providing a simple accounting and billing system. Other networks did

the same thing, TaxiCredit being the most notable. After a while it became a common thing with business but not all cabs could accept Cabcharge and not all could accept TaxiCredit, depending upon the network to which they were attached – a bit like trying to use your Lowes' Credit Card in David Jones at the time. Eventually Cabcharge became a common system for the benefit of customers being able to use the one system in all cabs. As electronic payment became a common thing in the community eftpos terminals were installed (at great expense) in all cabs that wanted them by Cabcharge and that expense was one of the catalysts for Cabcharge becoming a public company in order to raise the necessary capital. At no time during this period was there permitted to be an allowance in fare costing for the associated costs of running such a scheme, including card issuer fees, bank fees, airwave transmission fees for each transaction and fitting and maintenance of the equipment in the hostile environment of a vehicle. Hence, it is a user pays system. The customer can always pay by cash, having used their own bank ATM. I find it wrong that, in a shop, I believe the cash customer subsidises the card customer. An item costing say \$100 might only return \$95 after costs and time taken dealing with and accounting for the card, yet both customers pay the same \$100. It must also be noted that associated costs are factored into the retail price in shops whereas it is not in the taxi fare structure. A monopoly, as is so often stated, Cabcharge is not. There are six other similar companies that I know of, all operating Australia wide. I can choose to use any of them but I find Cabcharge the most convenient. A percentage of the Cabcharge fee is returned to the industry, either to operators or through networks, allowing "subsidised" network fees. Cabcharge, from the beginning, took cabs to the business community. Others now follow the same model, charging similar fees. Macquarie Bank recently tried to set up the same type of business but through a complete lack of understanding of the industry failed. The

ownership of any networks by Cabcharge is questioned, yet it has only purchased "going concerns" with the complete knowledge and approval of those selling the networks' assets. The vertical integration it runs, through running an insurance brokerage, smash repair business and radio and eftpos repairs and fitting out is nothing but a logical part of the business and is offered with no forcing or directing of any sort. I choose to insure through the CCN brokerage, Cabsure, simply because it is efficient, well run and friendly and offers competitive deals. I have enquired of other brokers, but stay with Cabsure. I do not use their smash repairs but do use Stratacom, their eftpos depot and meter supplier, because of the quality of service I get. My taxi is not on their network, it is on Manly Warringah Taxis. Yes, I do own some shares in Cabcharge, but not a major holding and I certainly don't let that affect my judgement when it comes to running my taxi.

I note that my offer to take you for a short trip to point out how the parking regulations affect our ability to serve the public has not been taken up. It still stands. By the way, where do we drop off or pick up at Luna Park, North Sydney Station and other transport hubs as well as an absolute myriad of other locations when, as is almost always the case the timed parking spots are taken? Some bus stops are fifty to one hundred metres long. What is a cab driver expected to do when someone on the bus stop decides they want to catch a cab, for whatever reason?

The money to run the NSW Taxi Industry Association comes from members fees of \$152 per year. This is collected via the monthly or four weekly network fees and forwarded that way. It reduces paperwork a great deal. There is no requirement, as I understand, to belong to the Association. The NSW Taxi Council receives funding from the Taxi Industry Association. As an industry association I believe its membership fees are quite cheap yet it does a great deal to represent taxi owners and, as many of us are also drivers, taxi drivers. It also does it in a logical

and reasoned manner. I understand my association makes donations to both major political parties. I guess it's an old maxim that you don't buy favours but it may mean that at least your letters get read.

It must be accepted that passengers in outlying areas often may not get the same service that their inner city cousins may get. One of the reasons that they may choose to live in outer areas is to get away from the crowds – it is axiomatic that inner city service cannot follow. Another reason may be that it is cheaper –well, everything has a price! Quite simply, don't buy a house under the flight path and then want the airport moved. Many years ago "plates" issued were restricted to only being able to sit on ranks in certain growth areas as well as the airport and central railway. The owner/driver had to reside in the area as well. It was designed to help provide service to outlying areas. For some reason many of the simple things seem to have been forgotten over the years.

There is often condemnation of taxi drivers not doing their job properly. Sydney, for example, is a very large city with a cab driver expected to work over it all and, according to some, he should know it all. From Penrith to Bondi, from Audley to Palm Beach or Brooklyn; it's a huge area. No-one can know it all and, quite simply, the main way of learning is on the job! But compare cab drivers to some other occupations. How often do we hear of the mechanic getting it wrong, the politician not having a clue or, worse, lying or completely ignoring the interviewer's question, the computer programmer getting it right, the doctor making a mistake or admitting he doesn't know and sending you off to someone else, a specialist? When someone waits a bit longer than they'd like for a cab I often wonder how many orders to their business today were put on "back order"? When I occasionally ask that question I am usually told, with a laugh and little concern for their customer, "oh, heaps". To double the output of, say, an ice cream shop the boss can buy another \$2-50 ice

cream scoop and hire someone for four hours. It's not that cheap or that simple with taxis.

The matter of "trunk radio networks" continues. I have no problem with them provided they operate as a complete legal network. I don't want them using the ordinary network to poach selected customers. You don't see the trunk networks taking bookings from the pensioner to go around the corner! I liken it to an employee of, say, an electrician saying to one of the customers at which he is doing work; "don't ring the boss next time, ring me personally". By all means run a network but do it completely and don't belong to two networks.

The various cultures of people in Australia from different backgrounds often makes for very difficult face to face dealings, as in a taxi, because things aren't done the same way worldwide. Even things such as conversation or lack thereof can create uneasiness among some. Training and enforcement may do something, but not very much I feel in respect to that matter. But proper enforcement of the basic standards would go a long way to a satisfied customer. It must also be remembered that the customer's expectations are often illegal and impractical.

There are many things to consider and not all of them are covered in this enquiry or the information supplied to it. Nevertheless, I sincerely hope that you can arrive at a practical end, not just following a witch hunt as some of the lines of questioning appear to have followed. I also hope that any members that were absent from parts of the hearings carefully study the other members' questions and the answers given and treat them in the manner they deserve.

Yours faithfully

Paul Fletcher