

**INQUIRY INTO OPERATION OF THE POINT TO POINT
TRANSPORT (TAXIS AND HIRE VEHICLES) ACT 2016**

Organisation: Red and White Star Cabs Co-operative Limited

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Partially
Confidential

Red and White Star Cabs Co-operative Limited

(trading as Maitland Taxi Service)



Submission for the Inquiry into the Operation of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016

Introduction

Red and White Star Cabs Co-operative Limited (trading as Maitland Taxi Service) has been an integral part of the public transport industry in the Maitland, Beresfield, Raymond Terrace, Lochinvar and Greta areas of NSW since 1953, some 67 years.

It commenced with approximately seven (7) vehicles working out of a private residence, and utilising two-way radios for communication, to owning its own land and building at East Maitland, that houses its booking/dispatch and general offices. Maitland Taxi Service can boast an effective and efficient booking and dispatch service due to its personal approach to the public and customers via friendly and knowledgeable staff and the SmartMove Booking and Dispatch System.

The Red and White Star Cabs Co-operative Limited has 20 shareholding members who all own taxis. Between the owners and the Co-operative, Maitland Taxi Service prides itself with 34 vehicles – from cars to Wheelchair Accessible Transport vehicles – that service the local areas.

Maitland Taxi Service is a proud contributor to the Maitland and surrounding areas' economy through the provision of employment opportunities (drivers, network staff, etc) as well as other local businesses through purchasing of local products and services (cleaners, gardeners, solicitors, auditors, etc), vehicle purchases, vehicle maintenance and supplies.

With the introduction of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016, Maitland Taxi Service has been progressing through a change not experienced before in the form of compliance requirements.

This submission focuses on the challenges Maitland Taxis Service has experienced in relation to this Inquiry's Terms of Reference.

The operation of the regulatory system applying to the taxi industry

Maitland Taxi Service does not question that there is a need for the taxi industry to be regulated. However, consideration needs to be given when applying legislative requirements to Regional Networks/Operators where there is a smaller population base spread over a larger area than that of the major cities and where there are a smaller number of taxis to service that population.

Distances for jobs are longer and demands for taxis are fewer than in Sydney, for example. Most Regional areas have either sole traders or small networks providing a service on small budgets. In addition, Regional area taxi networks experience:

1. Fewer rank and hail jobs.
2. Jobs that can entail hundreds of kilometres of travelling. At times these could be for one way travel only with no payment for the second half of the drive.
3. More secluded areas for fare evaders and possible attacks/robbery.
4. No large amounts of funding in order to engage qualified staff in areas of finance, work health and safety, compliance, human resource, administration, etc.
5. Board Directors, or appointed Co-ordinator, **volunteering** their time, financial support and resources to ensure the safe and continued operation of the network. More than not, this has a negative impact on their own taxi businesses.

Maitland Taxi Service's understanding of the regulatory system is that it provides direction for the safe operation of taxis and hire vehicles by networks and owners/operators/lessees/bailees/drivers to ensure the travelling public can be confident of a safe, efficient and customer focused industry. An issue, for small networks and operators, is the time and cost associated with achieving compliance withing short timeframes.

Whilst Maitland Taxi Service has engaged a part-time employee, in the short term, to assist with establishing and managing compliance, there is a requirement for the five Directors to forgo their time working their taxis in order to address compliance issues. At times, this has been a financial burden on some Directors, particularly during the COVID-19 crisis and has also caused angst amongst the Co-operative members who have no understanding of the time, requirements and cost to achieve legislative compliance. In addition, Maitland Taxi Service had to contend with a rogue owner using the situation in an attempt to destabilise the Network for personal gain. One can only imagine the impact on even smaller networks that are working towards compliance.

While the Point to Point Audit and the Investigations Teams have been extremely helpful regarding advice and guidance in their areas of responsibility, the Point to Point Regulator appears to lack the more personalised assistance and support capability via the means of liaison visits, similar to the ones offered by SafeWork NSW, that provide a less stressful and informative approach to achieving compliance. For a network the size of Maitland Taxi Service, this capability would be utilised and appreciated.

Specifically, the system of bailment that operates in relation to the taxi industry, any changes pursued by the NSW Government to the system of bailment since enactment of the legislation, and any changes that should be made

Noting that ignorance may not be a defensible plea in relation to non-compliance with the Act, a suggestion that further defining information be included in any re-write of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016 and Regulations 2017. In particular, but not limited to, bailment requirements.

While there have been arguments around the convention of bailment, as a commission process, over employment of taxi drivers, staying with the tried and true bailment has remained in the Regional areas as it has proven to be a work motivator and gives drivers the opportunity to earn more than a set wage. Bailment agreements can be quite profitable.

Legislation places a lot of responsibility on bailees, as drivers, with little supporting direction/guidance and legislative protection. This has the potential to lead to roting during times of crisis, such as COVID-19, where unscrupulous owners could:

1. Cancel or withhold driver's contract work, forcing drivers onto the unemployment list and charity organisational support due to not having the ability (such as remoteness, age, etc) or education to obtain alternate employment.
2. Provide small retainers and an offer of a percentage of the takings. Noting there are not many jobs in the Regional areas, this could also enable owners to pocket the lucrative jobs and leave the meagre ones to the driver.
3. Pay a minimum hourly wage, such as \$10 per hour, and a percentage of the takings. Once again not ensuring drivers get the lucrative jobs.

In addition, the current COVID-19 crisis has shown the desperation of taxi drivers not associated with a Network in order to earn a reasonable income. Maitland Taxi Service Operators/Drivers, and the Maitland, Beresfield and Raymond Terrace general public have experienced aggressive, and at times assaulting, touting and soliciting by the taxi drivers of a fledgling taxi corporation. It is unfortunate that such action causes confusion and anxiety with customers and the general public.

While the engagement of drivers are via either written or verbal contract with the owner, there does not appear to be consensus within the industry and this requires further robust discussion in order to reach an agreement on the legislative regulation of this controversial issue. Consideration should be given to liaising with Regional owners and drivers to identify fair and appropriate requirements in the Act

The implementation of the industry assistance package for the taxi industry, including the Passenger Service Levy and how it has been applied

As with most taxi services, the Levy has been added onto the customer's fare once the transport job has commenced.

While it is understood why a Passenger Service Levy was introduced, Maitland Taxi Service Owners/Operators/Lessees/Bailees/Drivers are perplexed as to why it is still being collected when, it is our understanding, the amount raised to date exceeds the amount of the assistance package. There are concerns taxi Operators/Drivers are now being used as unpaid tax collectors for the NSW Government.

There is no denying that the assistance package was welcomed. However, it has proven not to have been enough within the Regional areas with taxi licences reducing in value and becoming difficult to sell.

While having taxi licence plates is supposed to mean that only taxis can be hailed or stand on a rank and provide customer service, Maitland Taxi Service has become aware that, in some areas, this has not stopped the ride-share drivers utilising these benefits when licenced taxis are not around.

Even though taxi owners have received the assistance package to offset lost income due to ride-share, there have been, and will continue to be, an increased number of ride-share companies entering the NSW market. Maitland Taxi Service must prepare itself for the eventual influx of ride-share companies to the area. Particularly, noting the current experience with a battle being waged by a new taxi corporation entering our market.

Consideration should be given to:

1. Providing an assistance package in recognition for the loss to the value of taxi licence plates, and
2. To regulating the ride-share industry within the Point to Point Transport Legislation as they are also providing a public transport service but do not have to abide by associated laws. Such regulation would ensure:
 - a. Passenger safety
 - b. Management of the public transport industry as a whole
 - c. Additional Government revenue

The impact of the legislation on the value of taxi plates

Maitland Taxi Service does not believe legislation has caused the devaluation of taxi licence plates. Rather the legislation has improved the industry by making it safer for passengers and drivers by providing clearer direction and guidance. Notwithstanding this, Maitland Taxi Service believes the devaluation of taxi plates is due to the unlegislated freedom afforded ride-share companies.

While taxi licence plates may have experienced significant devaluation in the major city areas, Maitland Taxi Service is of the opinion that where Owners/Operators are associated with an established Network, the value of their plates could be more lucrative, though still down in value, due to the guarantee of an income.

The role and function of the Point to Point Transport Commissioner

Even though the Point to Point NSW Government Department is still in its infancy, Maitland Taxi Service has concerns about its capability to ensure compliance with the Act across the variations of the taxi industry- such as the differing requirements within a major city to that of the Regional areas and their unique requirements. Maitland Taxi Service believes the Commissioner's staff need to be more visible within the Regional taxi environment and not just appearing for audits.

Greater visibility could be achieved by having a liaison officers within the Newcastle/Maitland/Hunter Region in order to enable networks and sole traders to interact positively with Point to Point. It would also enable Point to Point to have a closer relationship with networks and sole traders in order to address incidents of possible non-compliance before they become issues rather than trying to put out spot fires once every two to three years.

Any other related matter

Meeting and decision-making representation

While it is believed the Taxi Council may represent a number of owners and networks, it does not represent all.

The Maitland Taxi Service experience is that there appears to be favouritism within the Taxi Council and, while a previous member for only 12 months, believed it received misinformation relating to the Safety Management System requirements of Point to Point and made demands of the Network, we believe, it was not entitled to be advised of (email attached).

As Maitland Taxi Service is aware that there are other non-members of the Taxi Council, it suggests Point to Point consider inviting these owners in any meetings/discussion the Regulator is having relating to the taxi industry in order to get an informed overview of issues.

In addition, Maitland Taxi Service has been advised that, unless it returns as a member of the Taxi Council, owners within the Network who are not individual members of the Council, will not benefit from any buy back programme of taxi licence plates by the NSW Government as only Council members will be rewarded with this perk. The Council also enticed membership by offering a \$300 reduction on CTP when Maitland Taxi Service joined in 2018. This did not eventuate.

In order to have a cross section of ideas from owners who are members of the Taxi Council as well as those who are not associated with the Council, there needs to be a working group to put forward issues/ideas/solutions relating to the Act and the Commissioner's roles and responsibilities.

Maitland Taxi Service is apolitical and would welcome an opportunity to be part of a constructive group to ensure the future of the taxi industry. It is believed others not aligned with the Taxi Council would welcome this as well.

Impact on the general public with the commencement of a new taxi company in the Maitland area

With effect 4 April 2020, Maitland experienced _____ commence open operation as a rival taxi company to Maitland Taxi Service in the Maitland, Beresfield and Raymond Terrace area.

Maitland Taxi Service has received a number of verbal and one written complaint, by passengers and general public relating to touting and soliciting at taxi ranks within the area by _____ drivers. Members of the public have even videoed altercations by these drivers to a member of the public and a Maitland Taxi Service Driver. The written complaint and videos have been forwarded to Point to Point.

Maitland Taxi Service's concerns is the safety of passengers, the general public and its Drivers. While all Maitland Taxi Service Operators and Drivers have been directed not to engage in any argument with driver, they have a responsibility to ensure the safety of their passengers.

With Point to Point only having an office location in Sydney, it is difficult for an inspector to obtain unbiased evidence from bystanders at the time, or shortly after, any incident. Therefore, being in a position to address any concerns with the taxi companies. It is suggested Point to Point consider locating offices in major cities, such as Newcastle, to combat this concern.

It should be noted that licence plates once operated within the Maitland Taxi Service Network, there is no increase in taxis in the area and, therefore, should not impact negatively on the community. There is enough work in the Maitland, Beresfield and Raymond Terrace areas to service the two taxi companies with the current number of taxis. Without the aggressive touting and soliciting that has so far been experienced by customers and potential passengers.

Conclusion

The Point to Point Transport (Taxis and Hire Vehicles) Act 2016 is much needed legislation that has been required to regulate the taxi industry to ensure honest and robust competition between networks and owners as well as looking out for the drivers and travelling public.

In the short time Maitland Taxi Service has been aligning itself with legislative compliance, there has been a marked improvement in the standards of vehicles and drivers as well as the booking and dispatching aspect of our business. It can only improve with further adjustments to the legislation.

It is hoped Point to Point would consider locating an office in the Newcastle area that would provide easier access by the smaller networks and sole traders, within the Newcastle and Hunter Regions, and give Point to Point the opportunity to understand the various characteristics of a Regional taxi network, operator and driver.

Thank you for the opportunity to be part of this Inquiry.