

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

**Organisation:** Katoomba Taxis

**Date Received:** 22 May 2020

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Katoomba Taxis Submission in respect of:

**The Upper House Inquiry into the Point to Point Transport (Taxis and Hire Vehicles) Act 2016**

To Whom It May Concern, Thank you for the opportunity to contribute our thoughts and experiences in this matter.

**Katoomba Taxis** is a Co-operative comprising 10 Members with a combined fleet of 22 Taxi vehicles, including 2 (WAT) Wheelchair Accessible Taxis. Our business has operated continuously for over 70 years. We have, on average 60 Drivers and proudly provide a 24/7 service. 365 days a year.

We operate between Wentworth Falls and Mount Victoria. We estimate that 70% of our business is booked work and 30% is Rank and hail. We transitioned from radio dispatch to a satellite dispatch system in 2017. Our response time is generally around 5 minutes. The service is very highly rated by our passengers. We have a local demographic skewed toward older residents, many of whom are reliant on the Taxi Service

**Effect of Changes on Katoomba Taxis:**

- **De-regulation Loss of Plate value**

Prior to the new legislation a Katoomba Taxi Plate would sell for just over \$200,000.00. As a direct result of the changes a Katoomba Plate would today be worth around \$80,000.00 maybe even as low as \$50,000.00. None of our plates have changed hands because a sale would create a situation of negative equity for many members. Furthermore, there is an absence of willing buyers. Why would anyone want to buy a TC plate and all the ongoing compliance costs of cameras, CTP etc., when they can simply register as a ride share vehicle or apply for a free WAT plate? We have

experienced roughly a 75% drop in value. *In summary, the value of Taxi Plates has been catastrophically undermined through both De-regulation and the indiscriminate issuance of free*

*WAT plates. Operators can't retire or get out of the industry.*

- **On-going cost of operation excessive compared with other ride share**

All our cars are carrying the ongoing costs of compliance and the cost of changed industry requirement. The Network has always operated as a 'not for profit' and had an annual surplus of around \$5000.00 with no inherent capital. The changes have created a situation where we are now (around) *minus* \$80,000.00. These costs have been a direct result of the legislative changes. We are still paying exorbitant green slip costs of around \$3000.00 per annum with vehicle insurance at around \$3000.00 per year also. This does not appear to be a level playing field. The network and each member has to pay for a dedicated satellite dispatch system whereas rideshare vehicles and the hire car sector simply use their personal mobile phones. *In summary, the cost of setting up a taxi vehicle and the ongoing cost of operation under the current regulatory requirement is unnecessarily punitive and not commensurate with the wider Ride Share and Hire car industry. That is clearly unfair.*

- **The disability agenda: Policy to issue free WAT licenses.**

This has been a damaging policy decision for our network. We understand that this decision is based on a 'Disability and Community Access' agenda. However, the policy places local and regional taxi services in jeopardy. In Katoomba there are now 3 large WATs vans operating as well as our two existing WAT s vehicles that have serviced the local area for decades. There is currently insufficient demand for WAT services in this area yet three new WAT plates have been issued indiscriminately, regardless of need, to independent operators. The idea that these free WATs

provide greater accessibility and choice for the consumer is laudable, however, there is an assumption of need and an expectation that the operator will seek new disability focussed work. These plates can operate anywhere across the Blue Mountains and yet they have focussed exclusively on rank trade in Katoomba and Leura. As such these are operating as a 'free' TC plate. We have a situation where it has been an increasing challenge to cover our night shifts and quiet periods because our night drivers can't find enough work.

*In summary, we would argue that the absence of a prior 'Needs Assessment' has resulted in an indiscriminate over-supply of WAT vehicles in the Katoomba area. The new entrants work limited hours to 'Cherry pick' the busier parts of the week. We predict that Katoomba taxis will ultimately find it uneconomical and unsustainable to provide a 24 hour service. The local community who currently rely on that service will not be serviced adequately.*

- Compliance issues- legal and consultancy costs

Katoomba Taxis has made major and expensive changes to satisfy compliance under the new regulations. We had to buy-in legal, HR, and Business consultancy. This cost most of the \$80,000.00 mentioned previously. The four Directors have all had to spend around 20hrs each week (unpaid) for the last 2 years, overseeing a sizeable 'change management' project. The personal and financial expense to the Directors has been considerable. We were, and are, not operating with a salaried management structure that the very large metropolitan networks have. The members of this Cooperative did not have the knowledge and skills required to embed such change. We have around 60 drivers, many of whom were resistant to change. Our Directors are volunteers and whilst having some relevant skills were not prepared for such a workload and professional advice had to be sought to ensure decision making was legal and compliant. *In summary, change was foisted upon networks regardless of their preparedness or ability to do the work necessary for compliance. We have been unsupported. We feel that there was insufficient*

*government foresight and planning with regard to implementation of the new regulations and no regard for the profound implications for small networks such as Katoomba Taxis.*

- **Adoption of new technology- Satellite despatch**

New technology adoption has brought extra costs. Purchasing call centre despatch, the corresponding technology for the vehicles. Ongoing costs of updating said technology and software.

- **Re-training costs**

Whilst the consultative process took over a year there was no clear advance messaging from government on what the actual changes would be. We were given only months to understand the final legislation. This was an extremely short lead-in and created uncertainty and stress for all involved. Directors were only able to communicate 'probabilities' to our members and drivers. The amount of resistance was great. We held a number of Driver Information sessions to try and counter the uncertainty and resistance. Having little time, money and resources made this incredibly difficult. We have engaged the Taxi Council to provide a number of Education/training sessions for our population of drivers. In addition we engaged an HR consultant to develop a dedicated online driver training portal in association with our on-boarding processes.

*In summary, the foregoing discussion illustrates in part, the disruption to our business but more importantly, the hidden cost of compliance. We would reiterate that we were unsupported by the government in this endeavour.*

- **Communication issues with P2P**

The communication with P2P has been incredibly frustrating and unsupportive. In fact, in respect of helping us deal with local issues re the non-compliance of Independent operators it has been

disappointing. We have notified the commission of critical incidents and non-compliance issues on multiple occasions, either through the online portal, via telephone or face to face meetings. The Commission has been very consistent in failing to acknowledge receipt of information and evidence submitted to them. It has also been our experience that the Commission has never spontaneously provided feedback to the network in relation to outcomes.

***Example:*** *Under the new regulations the network has a legal responsibility to report any breaches of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016 (Act).*

*In early 2018 the Network undertook an investigation into a number of Network drivers and one owner running their own private booking service. Naturally this is a gross breach of the Act. The investigation upheld the complaint and dismissed the parties involved from the Network. In June 2018, the Network made a comprehensive submission to the P2P Commission, including all our evidence, recordings of proceedings of the Discipline Committee, statutory declarations and the Discipline Committee's findings. After many attempts to seek status reports and updates there has been zero communication from the Commission in relation to this matter. Communication between the Network and Commission needs to be two way.*

***In summary, the Network has not felt encouraged or empowered in its dealings with the P2P Commission. We have been very frustrated with the lack of communication and we have a diminished expectation of help and support as a partner in P2P transport.***

- **Collection of the Government Levy**

The current requirement for taxi networks to collect the Government Levy has created another layer of unpaid work for the drivers, operators and the Network staff. Our passengers do not understand why they are required to pay more for the same service. They do not believe that the government should make them pay extra. **No one likes the Levy....** Owners feel that it is unjust to increase taxi fares. They see that Rideshare should be asked to pay it, since they have not paid

for entry to the Industry. All it has done for taxis is to increase our fares. There is no way our Network could reduce our fares to absorb the additional cost to the customer as we are struggling to meet our costs as it is. *In Summary, the government has placed additional burdens on Taxi Networks both in terms of increasing our fares by a mandatory \$1.10 and expecting that we will do the work of collection and submission on the governments' behalf.. free of charge.*

### **Going forward....**

The NSW government are morally and ethically bound to purchase all of the perpetual licenses from current owners. The Government were content to sell licenses for hundreds of thousands of dollars to members of the public. They have also benefitted from the transfer fees when the plates were subsequently traded. *The licenses were bought from the government in good faith, with a clear perception that we had a partnership with the government.*

However, the NSW government failed to act when Uber began to operate in this state illegally. Uber continued to operate for over a year and the government did nothing, despite the obvious corrosive effects upon the existing Taxi industry..... Then they legalised it!

The NSW Government effectively left the Taxi license owners holding the baby, or in this case....overwhelming debt and a population of ageing of Operators who can't now afford get out of the industry!

We are in this situation, directly as a result of government action and inaction. A buy back is the least the NSW government can do.

**It is a moral and an ethical imperative!**

From the Board of Directors.

Katoomba Taxis

Mike Hayden. Judith Clark. Michael O'Dwyer. John Holmes. Bert Franzen .