

**Submission
No 33**

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

Name: Mr Peter Lubrano and Ms Annette Fordham

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The Director,
Portfolio Committee No. 6
Parliament House
Macquarie Street
SYDNEY NSW 2000

Email to PortfolioCommittee6@parliament.nsw.gov.au

In response to the invitation for input to your Upper House Inquiry into the operation of the Point to Point Transport Act we make the following submission.

It was hoped that the Inquiry would be looking for a better understanding of the Taxi Industry and how the Government can help the operation and economic perspective of an industry which was in reality a regulated third arm of public transport. It seems that to date our elected parliamentary representatives have demonstrated an unwillingness to independently investigate and understand the real needs of prospective passengers and for government, to maintain and foster this third arm of public transport. The Public need a third arm of public transport that is regulated as to price and availability and will not be subject to the whims of an international company.

During the recent past the TIA and Taxi Council have made representations that some could interpret as promoting taxi drivers and operators as a protected species and the attitude that passengers exist for their benefit and convenience; rather than being in business to provide a valuable and convenient service to the public. On the other hand, the view of public servants lacks an understanding of profitably operating a third arm of public transport.

The Inquiry Committee is urged to investigate what the industry could and should be without being predominantly reliant on submissions by vested interests.

In answer to your 6 Terms of Reference questions we say:-

1. The present operation of the regulatory system is unsatisfactory as evidenced by the reduction in plates actually working which has generated poor servicing of customers, and, longer wait times for those that continue to use the service.

The Government's regulatory framework has failed in both its aims of maximising customer outcomes and economic productivity.

2. Rather than increasing the income of the reduced number of in service plates, there has been a diminution of jobs completed with a consequential drop in income for a shift worked.

Sometimes the drop in income is so significant that a driver cannot afford to continue to work for so little money, so he doesn't take a car out, finds another job or, becomes subsidised by unemployment benefits.

Some Operators either don't have drivers to take their cars out, or their operating cars don't have an adequate take per shift, meaning that soon they can't pay their network fees and other costs. Consequently they often hand back licensed plates to the networks or owners and/or the plates get put on hold.

Plate owners were frequently investors, who receive an annual fee, usually paid monthly for the use of their plates by an operator or a network. In our own case, under the present administration of the Point to Point System, the plate lease fee had more than halved to \$264 per week including GST. Now, as a result of the Covid-19 disease, we have waived the lease fee on the only plate we now hold, to a token of \$1.10 per week incl GST, in order to keep somebody in a job, the car in operation and to help provide a service to the public. The unpalatable alternative to us, (now retired licenced taxi drivers), was to mothball the plate and accept the possibility that it may never go out to work on a cab again.

3. The assistance package was a restrictive and token payment, not anywhere near to a fair and reasonable compensation, for the loss caused by changing the legislation and effectively destroying plate values. Historically, those values were consistently and strongly maintained, and supported by, the Department. It is our view that the Government has a liability to plate owners for the diminution in taxi plate values that it has caused.

In addition, the specified hardship hurdle to qualify for assistance over and above the token plate value compensation simply excluded most claims, that were entitled to be made on merit grounds, from being considered.

4. The Committee doesn't need public input on the destruction of Taxi plate values.

The impact on the value of plates is easily measured by contrasting the registration cost of historic and current transfer fees paid.

5. In review, the result of the Governments' de-regulation and Point to Point transport reforms has been the economic near destruction of the taxi industry. Now, because the taxi industry has become so impoverished, its members have no funds to invest in and/or implement the reforms that the Government had envisaged. Such as:-

- Maintain & improve safety standards.
- Develop better customer service & relations.
- Promote customer tailored services eg DVA, Wheelchair & other specialised patient transport.
- Develop technological efficiencies and reduce costs.
- Extend services and ranking commitments.
- Progressively improve industry education of both customers and service providers.

6. A preferred solution would be to comprehensively re-regulate a properly coordinated industry that transports the public for hire or reward in a fashion that ensures its profitability, not its demise.

The fair and reasonable corollary of that proposal is that there also needs to be an equitable and commensurate compensation paid by government to those plate owners who have suffered significant financial (& emotional) loss as the result of NSW Governments “stroke of the pen” action.

Yours faithfully

Peter Lubrano & Annette Fordham
(Peter Lubrano was a former Interim Chairman of Manly Warringah Cabs (Trading) Co-operative Society Limited)