

**Submission  
No 70**

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

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## **The Upper house Inquiry into the Point to Point Transport (Taxis and Hire Vehicle) Act 2016**

Thank you for the opportunity to make a submission to the abovementioned inquiry.

I have been involved in the Taxi industry since 1988 as a Taxi operator and driver in the regional City of Bathurst. In that time I have seen many changes, especially in my area, with most having an adverse effect on the Taxi industry. With the advent of Point to Point Transport (Taxis and Hire Vehicles) Act 2016 the situation has become dire.

This inquiry is timely as urgent action is needed, otherwise the taxi industry in NSW will become a mere shadow of the great industry it once was, where the taxis in most cases are the only ones providing after hours public transport. This is something the general public expects. I consider such action should start with the buyback of Taxi Licences. Such buyback should see Taxi Licence holders appropriately compensated, as well as providing the opportunity for existing Taxi businesses to focus on developing a competitive business model to meet the changing needs of the travelling public. Such compensation should be funded by the Passenger Service Levy, with plates being leased back, the end result being no cost to the NSW Government. It would enable those of us who have been with the industry for many years to re-invest in the industry and open up the possibility for new people to enter with a view to making it a career. Leasing a plate as opposed to buying a plate is much more attractive to new players and offers greater tax advantages. I agree we need to change and the Government announcing commitment to assist traditional industry members through those reforms is encouraging. However, such reforms must be meaningful and positive.

In regard to the Terms of Reference for the review, I offer the following comments:

a). Much has been said about the Point to Point Taskforce review which made 57 recommendations to Transport for NSW with regard to the regulatory changes. All but one (recommendation 40) was accepted and that was the recommendation that all licences be converted to annual licences, renewable up to 9 times. We were lead to believe that one of the aims of the review was to ensure the long term viability of the taxi industry, which everyone agreed was under stress, in reality, the reverse applied. Many of the so called reforms at best were meaningless, but others made it much more onerous on Networks, operators and drivers. Tasks such as on boarding of drivers and associated checks was once the responsibility of Transport for NSW, it is now the responsibility of the Networks. An example of reforms that mean very little is the removal of age restrictions on vehicles and the need to wear uniforms, many networks, including Bathurst, still require the former conditions. Some of the recommendations of the taskforce were based on the false premise of 70% of taxi work is from rank and hail. In this case the Taskforce got it horribly wrong. It is in fact the exact opposite in Bathurst and from what I can ascertain everywhere in regional NSW rank and hail accounts for 30% at most of our work.

b). As a general rule the bailment system that operates in Bathurst is that the operator provides everything, car ,fuel, running costs etc., and the driver receives 50% of the total take, minus the passenger service levy (PSL). This system has worked reasonably well over my 32 years in the industry. However, in recent years this system is under stress due to the fact the Taxi industry in my area and I believe many other areas, are in structural decline, brought about by declining patronage and increased competition from other operators subsidised by the Government, Community Transport being one of such operator. Our workload has continued to decline to the tune of 3% per annum. Whilst 3% may not sound a lot, the compound reduction is significant. The Point to Point reform has only accelerated that decline. In Bathurst, we have

always provided service, at reasonable cost, 24/7/365 and we are very proud of the fact we have been able to maintain such service. Some such shifts are of course not profitable and in order to maintain the service, operators have paid drivers to cover the shifts. This 24 hour service is something our customers have come to expect, they respect us for it and we in turn respect our customers for their loyalty. My fear is that as patronage declines even further, it will be difficult to sustain 24 hour service on many shifts. It would not be sustainable to pay drivers over and above their present earnings on many or all of their shifts in order to provide the service to which our customers are accustomed. The resultant degradation of service would not auger well with the general public.

. I am not aware of any changes pursued by the NSW Government to the system of bailment, since the enactment of the legislation, so I am unable to comment. The question of any changes that should be made is a difficult one to answer. It is my firm belief that the only way forward is to ensure the continued, long term viability of the Taxi industry, where new entrants are prepared to enter the industry and prepared to make a career of it and be proud to be part of this great industry. The question of bailment would then resolve itself.

c). In regard to the industry assistance package for the Taxi industry, I am not sure what it set out to achieve. If it was to ensure the long term viability of the industry or in any way compensate for the catastrophic financial impact on the industry, brought about by the Point to Point reforms, it was an abject failure. In my case, as a single plate owner, I received \$20,000 which was deemed taxable income, thus bringing the nett amount to around \$14,000. The Point to Point reforms, in the short term, dramatically reduced my capacity to earn. In the long term, it had the distinct possibility of rendering my taxi business unviable, not to mention the equity I thought I had in my plates being virtually wiped out overnight. It seems I am not alone in my assessment of the package being a failure. In September, 2019, I was privileged to be in attendance in the Gallery when a petition on Taxi Licences was debated in the Lower House. It was obvious most Members in the House agreed there was a problem. One Honourable Member said and I quote "...the architecture of this disastrous economic arrangement has resulted in the rack and ruin of the livelihoods of thousands of cab owners across the State". There were other comments such as "the compensation package was a laughable joke".

d). The legislation has virtually wiped out any value my taxi plates once had. Prior to the legislation, I would have advertised my plates, along with the car and associated equipment such as cameras etc. for \$200,000. It is now not worth the cost of advertising them, as the possibility of receiving any offer is near enough to NIL.

e). It is probably not appropriate for me to comment on the role of the Point to Point Transport Commissioner. However, there is one area that has room for improvement. I think much could be achieved if Compliance was stronger and more visible, with particular focus on Point to Point vehicles. There is a perception, rightly or wrongly that when Compliance Officers visit an area, taxis are inspected as they are easy to identify, whereas, ride share vehicles are difficult to identify and therefore escape inspection. This is not a criticism, it is a fact of life, ride share vehicles can be difficult to find and identify. I believe much could be done in those areas hosting events that attract large crowds. As an example, Bathurst has a car race in October each year, known in the motor racing industry as the "Great Race" attracting visitors not only from across Australia and New Zealand but also globally. Unfortunately, there were no Compliance Officers in attendance for that event. I thought this was a missed opportunity as there were plenty of point to point vehicles visible, with many appearing to flout the rules, such as picking up off taxi ranks and touting etc.

f). One other comment I would like to make is that the enactment of the legislation has resulted in some unintended consequences. One such concern to me is the legislation has opened the door for illegal operators and the black economy. It is one thing to try to compete against legal ride share vehicles (ride share in itself being a misnomer as ride share has nothing to do with it). It is another to compete against illegal operators who in all probability do not pay taxes, PSL, GST or additional compulsory third party insurances. Prior to the legalisation of ride share vehicles it was easy to identify illegal operators as they were clearly not taxis, whereas, ride share can operate either legally or illegally and it is very difficult to tell the difference. In Bathurst there are strong suggestions illegal operators are rife, with some doubling as legal and illegal operators. Of course the evidence is anecdotal and therefore very difficult to prove. Nevertheless, I believe it is a real concern.

In conclusion, I would like to reiterate it is my firm belief that further assistance should be by way of a buyback of Taxi Licences. Perhaps if you could allow me the indulgence of stating what such a buy back scheme would do to me personally. I cannot begin to describe my despair when the changes were announced. What I had planned to do and indeed promised faithfully to my family, that I would sell my taxi plate and retire before the age of 75 years. This would allow me to pay off my mortgage and with the remainder top-up our Superannuation, thus transitioning to a debt free and stress free retirement that would allow us to complete some of our planned travelling and visiting family. Of course the window for us to add to our Superannuation has closed as I am now 78 years and my wife is 76 years and it is not possible to add to Superannuation at that age. That being said, it would certainly achieve most of my goals of being debt free etc. and living in retirement largely financially independent. In other words it would restore some "hope" in our twilight years.

Thank you for giving me the opportunity to have an input to the enquiry and I look forward to many positive changes.