

**Submission
No 72**

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

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

Dear Committee,

Whilst I have found over the many years of making submissions to the numerous Government inquiries into the taxi industry it is, largely, a waste of time, I shall do it again.

The operation of the regulatory system applying to the taxi industry is disgraceful. The entire industry was tipped upside down one day with the legalisation of what is termed “rideshare”. It legalised an outfit that had operated illegally for a number of years, wilfully thwarted government attempts to rein it in and put the travelling public and its drivers at great danger, having them operate outside the law, with no proper insurance or checking and authorisation. When it was legalised, the legislation wasn’t even written.

The Transport Minister said publicly that the government was saving the taxi industry more than thirty-seven million dollars. What a lie! All it did was move the responsibility for red tape from government to the taxi networks and, along with it, a huge cost burden that remains, effectively, unaffordable.

The legislation seems to be poorly written, as the Commission claims it to be largely unenforceable. Regardless of that, the Commission seems to be unwilling to enforce any legislation, only go around being a nuisance to taxi networks. I have put a complaint and information to the Commission. Now fifteen months later, as far as I know, nothing has happened. Along the way, a statement was taken, after initially being ignored, like others I believe, I was told it had been taken over by higher management because it was too big, I had trouble following it up, then was apologised to saying they had dropped the ball and so it went on. I don’t know where it is now but I know the same caper is still occurring. Unregistered networks, not complying with legislation, fraudulently not paying the Passenger Service Levy, and so it goes on. When you try to ring the Commission you finish up with your local Services NSW office. A bloody disgrace. I am aware of a vehicle that was registered in full taxi fit-out as a private vehicle with black on yellow number plates that operated as a taxi, with the knowledge of P2P and nothing, to my knowledge, was done to the operator. It seems to be majoring in “diversity” and failing in its job.

The regulations are very lopsided in favour of “rideshare”. One simple example is that if I bail my taxi to a driver I must have Workers’ Compensation Insurance for him. There are many multi-vehicle operators that rent cars out to “rideshare” drivers in much the same way as a taxi operator “rents” his taxi out to a taxi driver, yet the rideshare does not, apparently, need Workers’ Compensation Insurance, let alone holiday and sick pay. Why not? What’s the difference? Nearly \$2,000 per year is the difference in Workers’ Comp. alone. And this is replicated throughout the industries in many ways. It’s that sort of thing that contributes to a lower operating cost in rideshare, yet for example, Uber is still losing billions of dollars per year and, it says publicly, may never turn a profit.

The so-called rank and hail available to taxis only is a joke, as “rideshare” tout and pick up regularly from the various places where people gather. This creates a number of problems. Any passengers do not know who the driver is because the legislation does not require the driver to have identification of any sort on show, as it does require taxi drivers to have. “Rideshare” drivers are only required to show it if asked by the passenger and passengers feel intimidated if they “dare” ask for i.d. to be shown to them. There are no records of those trips and on a

number of occasions, it has been reported, attacks on passengers have been made. Further, such trips are not recorded and no Passenger Service Levy is paid (fraud against the state government) and there is no taxation record.

There is no limit to the number of rideshare vehicles that contribute massively to city congestion. A market that was served by about 5,500 cabs in Sydney now has around 20,000 additional rideshare vehicles. It's crazy. No one can make a living.

The system of bailment in taxis was brought under its current legislation in 1984, as I remember. At that time most cabs were owner/operated and driven. These days most cabs are leased to multi-operators who rely on drivers. That reliance really does "put the drivers in the driver's seat". It provides great bargaining power, turns the viability and safety maintenance of many operators on its head, yet the operator is still bound by the legislation. For example, holiday and sick pay; a driver can, and invariably does, come to an agreement with the operator for a much lower pay-in than the legislated pay-in, then often takes the operator to court to collect the holiday pay he said he didn't want by form of a lower pay-in, thus further reducing the pay-in overall.

The driver has the choice of the type of pay-in, as well; whether it's a percentage of the take or a fixed pay-in. In the metropolitan area the driver invariably chooses the fixed pay-in, as it is better for him, particularly with the barter effect as shown above. That's the types of failure of the bailment system. It is also a bit inflexible regarding the hours needed to be done during certain hours of the day, actually contributing to the old "changeover" time problem.

I can't offer particular thoughts on change, as I am not an industrial relations lawyer, but the above is a simple example that needs changing somehow.

With regard to the industry assistance package, a \$20,000 payment was a joke. Its purpose was to cover losses for the first year. Have a serious think about that! Were the income reductions to magically vanish? And, to make it a further joke, it was taxed. Then the "additional assistance package" amounted to nothing, zero, for most, other than many, many hours (3 days in fact) of putting together information to satisfy the demands of government for exactly no benefit. Another bloody disgrace! And regarding the PSL that is to pay for it, it even costs the networks money to collect and forward the Passenger Service Levy on behalf of government and, despite requests and submissions, it refuses to address that situation. It's a bloody disgrace in every respect. I believe it to be defrauded by the many drivers involved in the illegal networks, as mentioned earlier.

The impact of the legislation on the value of taxi plates is as plain as the nose on your face. You don't need an inquiry into it. As soon as the illegal operation of Uber started the value began to decline and since the legislation it's been like a bloody tidal wave. Not only is the value dramatically down but if you wanted to sell you'd be struggling to find someone gullible enough to buy it. And it was a direct result of government legislation over many years that they reached such a price. The governments wanted a price on them. I have been in the business for forty-six years and it's bugged any superannuation and retirement plans I had. It has not had a good effect on my mental health and that of any other taxi owners.

The role and function of the P2P Commissioner are a joke. The role is to oversee the implementation of the law. What a monumental failure that has been. The function is to run the Commission and that, too, has been a failure, as outlined above regarding complaints and general enforcement. Years ago there would be Transport Officers regularly checking licences and

vehicles and ranks, etc, but it has been virtually non-existent for many years, let alone dreaming of doing that to “rideshare”. It’s as if they are Koalas – protected species.

The changes have devastated my ability to earn a reasonable living and the value of my investment. They have changed my life for the worse, dramatically. No one can make a proper living any more.

A change for the better would be the Taxi Council’s recommended buy-back scheme, implemented immediately and taxis owned by government and leased to operator/drivers and the cost covered over a period by the PSL and the lease fees. The fishing industry was treated, I understand, in a proper fashion with more than adequate buy-back terms. What about it? The ever-burgeoning plethora of continuing regulation over the years stifled the industry and the sudden change with ill thought out legislation stuffed it, let alone the illegal operation that was allowed for a number of years.

N.B. It must be noted that a vast majority of the taxi industry is not aware of this inquiry, hence cannot make a submission.

Several years ago 13Cabs pulled out of the Taxi Council, taking almost all of its taxi owners with it by refusing to funnel their monthly subscriptions, paid via the monthly Radio Fees, to the Taxi Council. I believe that was a financially based move by a public company. That reduced the taxis represented by about 60%. Now, with about 65% of taxis deregistered due to the massive downturn in work as a result of Covid-19 and its rules, that has further reduced the taxis paying their subscriptions via the monthly member network radio fees. I suggest that leaves about 15% of Sydney’s taxis represented by the Taxi Council. I understand there has been no publicity by 13Cabs to its members of this inquiry and the only publicity I’m aware of has been via the Taxi Council to its active members. That means maybe 15% are aware through industry notification of the inquiry. There may have been newspaper advertisements but my inquiries show they were not noticed by anyone.