

**Submission
No 86**

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

Organisation: Hunter Taxi Radio Network Pty Ltd

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Hunter Taxi Radio Network Pty Ltd

(Trading as Singleton Taxi Service, Hunter Valley Taxico,

Silver Service Limousines and Hire Cars, Hunter Valley Wine & Food Tours)



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

Introduction

Singleton Taxi Service commenced operations under one owner in 1984 with four taxis, having consolidated from five owners and seven taxis. The current owner Wendy Mason-Jones commenced operation in 1991 with four freehold licensed taxis, one Wheelchair Accessible Taxi (WAT) and two hire cars. The business operated 5.30am to 11.00pm Sunday to Thursday and 24 hours Friday and Saturday.

New technologies were embraced earlier than other taxi operators in the Hunter Valley with the introduction of Computer Dispatch, Safety Cameras and Smartphone App, 24/7 operations started around 1993.

The business has diversified its customer base and now provides pre-booked services outside Singleton, in particular the Hunter Valley Vineyards, services have expanded to include wine tours, concert transfers, airport and cruise ship transfers.

The current fleet includes four taxis, four WAT taxis, eight private hire vehicles (sedans, people movers, minibuses and limousine). There are five management/depot staff, 15 fulltime drivers and 18 casual/part-time drivers.

Response to the Terms of Reference:

The operation of the regulatory system applying to the taxi industry

The new regulations have offered an opportunity for this business to expand beyond the limiting boundaries of the Singleton LGA, specifically the Hunter Valley Vineyards which straddle two LGAs. This has benefitted the tourism sector in that area with much better service and availability.

Whilst the new regulations are more onerous for business managers, this has provided the catalyst to ensure more professional training of drivers and adherence to a Safety Management System which has led to decreased downtime of vehicles and safer operation .

However comparing metropolitan taxi operations with a taxi service in a regional town is very simplistic. For Instance we have a Metropolitan Fire Service and a Rural Fire Service as they have similar purpose but differ in how they operate.

Compliance costs and base operations are much higher per passenger km as the metro areas enjoy economies of scale. Also smaller operations cannot afford the luxury of staffing of the global (so called) ride sharing giants.

The work structure in this local area is about 7.5% rank and hail vs around 70% plus for metro areas.

Distance from suppliers located in metro areas of technology and even vehicle spare parts means there is a long lead time to achieve repairs.

We have had limited contact with Point To Point staff to this point but found them to be helpful and constructive, but lacking in knowledge of how the industry actually works.

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

Locally we have ensured that the 'Bailee Contract' leaves no misunderstandings of the obligations, both fiduciary and safety with regard to the driver (bailee) and operator (bailor).

No multiple vehicle taxi operation would survive if drivers were paid an hourly rate. There would be no incentive for a driver to pick up the undesirable fares. The income on any given day varies so widely in, 'on demand' transport. The commission arrangement ensures that maximum availability and good service are provided at all times.

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 on commencement of the journey.

It would appear that our customer base has paid far in excess of the meagre industry assistance received (less than \$40,000 after Tax).

The major towns next to Singleton (8 Taxis); Maitland (30 Taxis) and Cessnock (15 Taxis) received between its owners \$800,000 plus to assist with transition, The single operator in Singleton with 4 owned licenses received only \$40,000, to reinvent and transform an operation to now compete with not only the Uber juggernaut, but both these surrounding taxi towns which can now operate in the Singleton area. To survive the industry changes, the owner of Singleton taxis has had to pump more equity into the business when adjoining taxi service operators have had a collective gain to promote and make adjustments to meet the market changes.

The restriction of the Industry Assistance Package to a maximum of 2 licenses is not fair and has placed many single operator towns at a great disadvantage. Not only should all license holders receive assistance per taxi license but each network as well.

The impact of the legislation on the value of taxi plates

In 1991 the four licenses in Singleton were valued (conservatively) at \$110,000 each after a divorce sale. The current owner expected this would serve as a good investment as superannuation and could expect a reasonable rate of return after 30 years now heading into retirement. The value of the licenses, were held as security for the purchase of the business.

Since legislative changes in 2016 no finance company will touch taxi licenses. The equity built up over 25 years disappeared over night, not directly because of the new legislation but because of perception that taxis had had their day and that Rideshare and Uber were the way of the future. Whilst this business is still excellent value because of its diverse customer base, embracement of technology and social media and providing other than taxi services, it cannot realise or be sold for its actual worth due to this perception that still pervades since 2016. In effect the equity has been transferred from the taxi owner to the Global overseas based software giants by a legislative stroke of the pen.

All Taxi License operators should be compensated with the buy-back of their licenses based on value in 2016. Those that wish to remain in the industry then have the option of reinvesting in the on demand transport industry or going elsewhere. This was done for

quota and license holders in the dairy and fishing industries so where is the fairness for taxi operators. Who would dare to any other small group take over 50% of their superannuation.

The role and function of the Point to Point Transport Commissioner

It is very easy for compliance staff to overly target taxis, they are highly visible and conveniently operate from ranks etc. However the unauthorised booking services and other rogue operators sometimes display no signage and operate off social media and other means to escape scrutiny.

It is the so called ride share market that should be the main focus of P2P operations. Taxi networks tend to be their own self regulators although there will always be some dodgy operators who need education.

Without regional offices the P2P Commissioner could be seen as a Sydney only organisation that little understands the differences in Metropolitan and regional service operations

Any other related matter

Markings on private hire vehicles. Many private hire vehicles now display signage or livery that blatantly falls short of “implying that they are a taxi” to avoid breaching the rules. Passengers make no distinction as they see a vehicle conveniently waiting near venues.

Private hire vehicles should only be able to have a small sign indicating the business name for identification as was originally intended by the legislation.

Courtesy Vehicles. Many clubs, Hotels and other organisations now see a lucrative way to enhance their operations, once upon a time it was a \$2 donation to help with up keep of the vehicle now many are openly charging much hire “donations” to pay for the driver as well.

NDIS and Community Transport. The number of Toyota Hiace Commuter buses has exploded in recent years as NDIS providers start being the complete service provider, including transport. Both they and community Transport are providing services at a much higher rate per km than the taxi industry can achieve. Many of the wheelchair and other special needs journeys are now provided by these organisations as they have the direct relationship with clients and can set their own fees to a degree.

The combination of these three areas of concern, have eroded the incomes of taxis.

Taxis exist at the end of the night at 3am and do not discriminate between the drunk, the ugly, or the little old lady on Sunday morning going to church who takes that extra 5 minutes to get in and out of the car.

This is what the 'rideshare, courtesy driver doesn't want, but if the cream jobs (airport trips etc) are taken by these groups, who have much lower overheads, how does the cabby earn enough to make a full time job.

Once the viability is gone so is the service, then everyone one is at the mercy of a smartphone app.

There must be for fairness, a buyback of taxi licenses so that the equity built over so many years can be reinvested in our own country and/or industry.