Supplementary Submission No 73a

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

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Alliance (AAA+)

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Please note my submission essentially comprises of the Website URL <u>TheTaxiOfTomorrow.com</u> and YouTube clip below from New York One (NY1) TV News with further information in the notes attached below it together with the heretofore unpublished excerpt from the Taxi!: Global Trends.pdf and NSW submission.pdf which you have permission to make public.

I would like to take this opportunity to endorse the vision, scope and pioneering work of the NSW Point to Point Transport Commission which establishment has effectively implemented all of my previous recommendations (with the exception of the final disbanding of the 0200 WAT dispatch).

To this end over many years I have striven to offer a detailed and compelling "holistic" global industry solution. This has resulted in better and more "socially inclusive" transport solutions for all people, everywhere in various jurisdictions around the world e.g. efforts which were pivotal in New York City making it mandatory that 50% of all taxis be wheelchair accessible by 2020.

I am willing to appear before the committee to answer further questions if requested.

Yours faithfully,

www.TheTaxiOfTomorrow.com

https://youtu.be/sndPhYbbruQ

Taxi! Riding global trends



Making the most of OECD, UN and WTO initiatives to increase competition, eliminate discrimination, help the ageing and preserve the environment

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Executive summary

No business can ignore the impact of increasing globalisation of the trading environment and the interdependence of national markets.

In this investigation, UniCab takes an international perspective from the outset and draws on the results of the latest research into the behaviour of open economies.

By recognising and identifying emerging global trends as they impact on the Taxi Industry, UniCab has been able to identify domestic and international market opportunities for its products and services.

Our long-term market strategy is in tune with future global economic forecasts and planning strategies designed to enable a stable macroeconomic environment for all nations. In particular the impact of Pro-Competitive Initiatives, Anti-Discrimination Initiatives, Environmental Initiatives and Strategic Ageing Population Policies as increasingly ratified and implemented by the leading nations of the western world.

An analysis of how these global trends affect the Taxi Industry in Australia, which nation enjoys a reputation as a model OECD economy, is the subject of the following memorandum.

The name UniCab is derived from ¹Universal Design Taxi-Cab.

Pro-competition initiatives

There is a global trend to increase competition and fair trading initiatives. This is being encouraged by the creation of regional co-operative trade organizations like the European Economic Community (EEC) and the Asia Pacific Economic Co-operation (APEC) organisation. Many countries are setting up their own competition agencies and authorities to facilitate this change; to reset, their economies to a market orientated basis. The process involves legislative reviews which undertake a thorough, systematic and targeted approach to identifying restrictive trade practices and/or trade barriers that are not in the best interests of the consumer, the community or free trade. These reviews and any regulatory reforms are supported to promote a more level playing field in open market economies. In Australia, we have seen the establishment of the National Competition Council (NCC).

The National Competition Council Mission Statement:

"To help raise the living standards of the Australian community by ensuring that conditions for competition prevail throughout the economy that promote growth, innovation and productivity."

Similarly, we have seen the strengthening of the Australian Competition and Consumer Commission (ACCC) enforcement authority to pomote competition and fir tading.

[&]quot;Universal Design" defined: Universal design is an approach to the development of 'products and environments that can be used effectively by all people, to the greatest extent possible, without the need for adaptation or specialized design' (North Carolina State University, 1997). It is an inclusive process aimed at enabling all of us to experience the full benefits of the products and environments around us regardless of our age, size or ability" Universal Design New York, Mayors Office for People with Disabilities, N.Y. NY.

The NCC is in charge of implementing National Competition Policy (NCP). In 1995, at the behest of the NCC, the Council of Australian Governments (CoAG) agreed to implement a national competition policy (NCP) review of, amongst other areas of interest such as Gas, Electricity and Water reviews, the Taxi & Hire Car Industry.

The NCC of Australia has funded every state and territory in conducting a NCP review of their respective Taxi & Hire Car Industries to ascertain whether there existed "restrictive" or "anti-competition" activities. There were concerns that the taxi industry maintained artificially high barriers to entry i.e. a limited number of taxi-cab licence (plates), thus restricting the number of participants which at a time of increasing population growth saw the number of taxi-cabs either stagnating or declining along with related services to the community.

The review process is nearly complete with all States & Territories having completed reviews and about to commence reform measures. Reform measures uniformly support, increases in the available number of taxi-cab licences (plates). The Council is to assess the progress of these reforms State by State in late 2002. It is expected that whilst regulations to ensure minimum quality standards for taxi-cab vehicles and drivers will remain in force, restrictions on the number of taxi-cab licences (plates) will be eased in all States and that from now on taxi-cab licences (plates) will be available by lease only (no more freehold ownership) from DoTs.

UniCab is uniquely placed to benefit from such a development in that we are not dependent on "owning" taxi licenses (plates) or maintaining artificially high values for freehold plates through government regulated barriers to entry i.e. limiting taxi license (plate) numbers to artificially low numbers per head of population. The scenario of falling taxi license (plate) values would mean UniCab may reach our performance objectives more quickly through lower lease payments requirements on all taxi licenses. Furthermore, with the reduced license overheads many taxi operators will be better able to afford the more expensive UniCab vehicle.

To date, only the Northern Territory (with a relatively small number of taxi-cabs) has lodged and implemented their taxi-cab NCP reform strategy which was to buy back all freehold taxi-cab licenses at \$16,000 each using funds from consolidated revenue and instigate leasehold of taxi-cab licenses. It should be noted that they received a progress payment from the NCC which went some way towards amortising this cost. This is not a strategy which is predicted or indeed possible given the much higher concentration of taxi-cab licenses (plates) in larger more populous states of Australia with average freehold values for unconditional taxi-cab licenses (plates) in excess of \$285,000 in Sydney, Melbourne and Brisbane rising to over \$450,000 in some east coast tourist areas.

The closing date for submissions of Reform Implementation Strategies by all State and Territory Governments to the National Competition Council has been extended to the 30th of June, 2003 at which time it is expected that some form of relaxation of regulations of the Taxi Industry will be recommended by the majority of CoAG members. It is not known whether how many CoAG members would be so brave as to implement mandatory introduction of universal taxis at the same time (as occurred in Ireland) but if this were to happen it would most likely be a government with a proven track record over a number of terms that felt secure in it's mandate to continue building on previous advances in transport infrastructure reforms. This along with the significant incentive of the added fiscal benefits offered by the NCC for effective reform implementation strategies.

The NCC has indicated that a number of CoAG members had elected to commence a program increasing the number of plates over the next few years and that these would all be leasehold Wheelchair Accessible Taxicab (or Universal Taxicab Licences).

Anti-discrimination initiatives

Many countries around the world, particularly member states of the United Nations, have enacted anti-discrimination legislation and established national bodies to enforce the regulations. The United States was a pioneer in this respect with the American Disability Act of 1990. The United Kingdom and other member countries of the European Union followed suit with their own anti-discrimination legislation. This has resulted in many countries legislating against discrimination of any sort including most recently issues pertaining to physical disability.

On the 23rdOctober, 2002 the Commonwealth Disability Discrimination Act (2002) was enacted the Australian parliament and became legislation. This fact will have significant consequences for all members of our society but particularly transport providers such as the Taxi Industry.

Of particular interest is the number of countries prepared to follow England's lead in enacting legislation ensuring the entire nation's taxi-cab fleet is made up of vehicles of "universal design". Ireland is an example of a country, which has implemented both procompetition and anti-discrimination policies i.e., lifted restrictions on the number of taxi-cab licences (plates) completely and legislated that the entire nation's taxi-cab fleet be "universal" by 2012. It is expected that many member countries of the European Union will follow suit. In Australia, the Human Rights and Equal Opportunity Commission (HREOC) of Australia undertook an inquiry into the Taxi Industry amid concerns of discrimination against the aged and disabled, called the Wheelchair Accessible Taxi Inquiry. Following are excerpts from the Summary and Recommendations of HREOC's published report in March, 2002:

"It is not acceptable that that many regional towns with sizable taxi fleets have no accessible taxi service. In these areas there is a clear need for transport regulators to examine how provision of accessible service might be made viable or more attractive to operators."

"HREOC encourages the taxi industry to consider similar approaches to planning for compliance with the Standards (for Accessible Public Transport under the Disability Discrimination Act), in consultation with consumers.

"Lack of accessible alternatives: community submissions point to a greater dependence on taxi services by people using wheelchairs because of the degree of inaccessibility which still exists for other transport modes. Industry submissions argue that inaccessibility of publicly provided transport modes presents a reason why funding responsibility for accessible taxi service should be more completely accepted by government as a public good"

"Some submissions call for a combination of economic incentives and improved enforcement and monitoring. This combined approach appears to HREOC to be the most likely to be effective."

"If regulators do not take prompt and effective action in this area, it needs to be noted that the Disability Discrimination Act provides for liability not only for bodies directly responsible for discrimination, but for bodies causing or permitting discrimination".

"Universal Taxicab Designs: Evidence to the inquiry clearly indicates the desirability of a taxi design or designs offering greater comfort and safety for WAT passengers as well as greater acceptability to general taxi users. HREOC urges Federal, State and Territory transport regulators to re-activate consideration of issues of appropriate universal taxi design or designs and means of having such design or designs enter service as a substantial part of Australian taxi fleets. Transport regulators, including the Federal government, should examine possibilities or cost offsets for "universal taxi" designs, including import costs."

Pro-Environmental initiatives

Australia has the highest per capita level of greenhouse gas emissions in the developed world, a report by The Australia Institute has found. The institute's report revealed that total emissions were now greater than those created by more highly populated countries such as France and Italy.

Transport, electricity generation, and the production of non-ferrous metals such as aluminium were the largest contributors to the high emissions levels.

The president of the Australian Medical Association, Dr Bill Glasson, said: ``In Australia, deaths caused by vehicle emissions are at least equal the number of deaths caused by road accidents."

And a report from the Bureau of Transport and Regional Services in 2003 estimated the health cost of pollution in Australian cities at \$3.5 billion a year.

A coalition of scientists called the Climate Action Group says greenhouse gas emissions must be cut 60 per cent by 2050 to stop the effects of climate change. The group, which lobbies for changes to land and water management, is backed by the insurance company IAG.

Member states of the United Nations (UN), the World Trade Organisation (WTO) and the Organisation for Economic Co-operation and Development (OECD) are working on undertakings to reduce the volume of air pollutants their respective countries contribute to the environment. Regional groups of nations led by the EU, ASEAN and APEC have instituted environmental protection initiatives and guidelines for member states to discuss and implement cooperatively.

The following is an abstract from a paper submitted to APEC by the Japanese Environmental Ministry spokesman, Hideaki Shiroyama:

"The Asia-Pacific region is the growth centre of the world economy. From the perspective of environmental policies too, the Asia-Pacific region is a region of extreme importance. APEC has recently arisen as a comprehensive regime for the Asia-Pacific, a region that has experienced incredible growth but is also threatened with environmental degradation.

The organization should assume some responsibility for the protection of the region's environment, but ad-hoc groups remain an effective method of multilateral cooperation on environmental issues. It is important that the ad-hoc presence in the region be strengthened before APEC begins to take on a greater role in environmental issues.

APEC's involvement in the environmental realm should follow the "APEC Way," which has proven successful in the pursuit of the region's other goals. Further,

the creation of an APEC Working Group on the Environment is not incompatible with an integrated approach to environmental issues, and should be pursued.

Specifically, APEC can be an important forum for the application of trade measures to environmental concerns, although harmonization should not be directly pursued for fear of alienating nations who see rising environmental standards as a method of excluding them from certain markets."

Individual countries have mandated a graduated decrease in the level of exhaust emissions permissible from motor vehicles, which are recognised as a major source of air pollution. Usually this has been implemented by a cut-off point being fixed in the future for all vehicles OEMs to comply with strict new guidelines. Accordingly we have seen the introduction of lower octane petroleum (unleaded) and motors fitted with exhaust reducing converters. The issue of protection of the environment is high on the public agenda particularly in large cities. The following initiatives by UniCab addresses these concerns:

UniCab's alternative fuel vehicles (AFV's), are powered by LPG converted motors that far exceed the United States Environmental Protection Agency (EPA) guidelines. In November 2002, our strategic alliance partner, an Australian company, Parnell LP Gas Conversions Pty Limited and their American subsidiary Parnell USA received EPA certification on the 3.3 litre Chrysler engine that is fitted to the Chrysler Voyager. EPA technicians noted that the LPG converted motors hardly registered a reading on the testing equipment applied to other fossil fuel powered engines.

Through innovative transport management solutions utilising advanced computer-aided dispatch with GPS technology, UniCab is able to move more people in a less amount of time with fewer vehicular movements thus reducing traffic congestion with its accompanying high exhaust emissions.

Strategic Ageing Population Policies:

Nations around the world are grappling with the challenge of an exponential growth in the number of older citizens particularly as the baby boomer generation (born between 1946 and 1964*see Australian Age Distribution Graphs on page) enters their retirement or "golden years". This generation, however is living longer and by all accounts demanding to stay actively engaged as participating members of their society. Statistics show that the baby boomer generation has the highest average disposable income of any preceding generation and that they have a proportionally high purchasing power within our community. Facts and Figures from the National Strategy For An Aging Australia; Attitude, Lifestyle and Community Support Discussion Paper, September 2000, from the Hon. Bronwyn Bishop MP, Minister for Aged Care declares that:

"Over 90 per cent of those over 65 years live in their own home. In 1995/6, for those over 65 years, 81.9 per cent owned their own home".

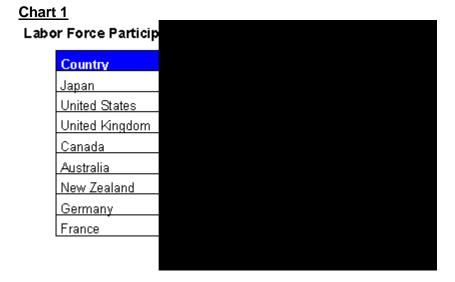
"Older people travel more and are an important group within the tourism market. A review of people over 60 years found that:

- 75 per cent of this age group travelled domestically in the last year;
- They spend \$985 million on domestic travel annually; and
- 80 per cent of the age group wanted to travel now or in the near future.

The over 55s, 21 per cent of the nation's population today, will account for more than 43 per cent of the total growth in retail spending in the next decade."

Again the OECD started early in the last decade to urge all member nation states to plan for the expected boom in the aging population and accompanying drain on health and welfare budgets by implementing various long-term planning strategies in the preceding years of healthy economic growth. Australia is one of the best prepared of the OECD member nations in this respect albeit that not all strategies are in place.

One of the key strategies of the OECD it should be noted "is the restoration of fiscal positions that are sound and designed to cope with the stresses that aging populations will imply over the longer term". Particularly, "Increasing participation rates by avoiding policies that discourage part-time work and encourage early retirement". See following, for projected increases in Labour Force Participation Rates for OECD countries.



The U.S. Department of Transportation, Bureau of Transportation Statistics report that:

"The number of persons with disabilities reporting participation in employment, recreational, and other activities has increased steadily since passage of the Americans with Disabilities Act (ADA) or 1990. In 1995, the Census Bureau estimated that 26.1 percent, or 3.7 million of those persons between the ages of 21 and 64 with severe disabilities were employed".

"In 1997, research conducted by Stacey and Kendig on 1,000 people aged 65 and older living in the community, found that difficulty getting on and off public transport was mentioned by four out of five people who used public transport, whereas other difficulties were mentioned by less than one in ten.

Other options within local regions involve taxis and increasingly, motorized scooters. Evidence suggests that older people who have financial means catch buses to shopping centres and then take taxis to return home, mainly due to the problems of carrying parcels. However, this is linked to ability to pay and raises issues for the public transport of those older people who do not have the financial means to take this option. What do older people do when they are not able to carry multiple bags on public transport?

Getting in and out of taxis is an issue for older people, taxis are considered expensive and some perceive them as a safety risk. This coupled with general difficulties in getting on and off public transport; compound difficulties for older people who are not able to drive. There are opportunities for communities and business to develop local/regional services centred around bus/taxi and parcel pick up or delivery options." From The National Strategy for an Ageing Australia; Attitude, Lifestyle & Community Support Discussion Paper, September 2000.

When people are house bound and unable to carry out daily interactions with their local community, visit libraries or recreate, conduct business, shop, visit friends or family they are more likely to encounter physical, emotional and mental health problems, experiencing depression, increasing levels of dysfunction and eventually premature death.

UniCab contends that greater access to transport, particularly "24/7 door to door demand response" options such as taxi-cabs provide will have a profound effect on the participation levels of the elderly and people with mobility challenges in the community at large. Moreover, this will decrease some of the social welfare burden generated by an ageing population i.e. UniCab's initiatives will encourage increased participation by a wider spectrum of individuals, eg the disabled, the elderly and those who historically have had less mobility options available to them, thus limiting their freedom of movement, active participation and contribution to our society.

Corporate governance

The aftershocks of corporate governance scandals continue to reverberate around the business world as still more scandals erupt in the financial press. From Wall Street to Australia, companies such as Enron, World.com and HIH became known far beyond business circles for all the wrong reasons.

Shareholders' faith in the people who run the companies they invest in is being tested and, in many cases, found to be misplaced. Corporate leaders in Australia, the US, Britain and Europe have benefited at the expense of their shareholders.

In turn, this has raised the value of transparent, ethical governance in which the long-term good of the company is placed ahead of all other interests.

UniCab Australia intends to honour this new standard. It will appoint only directors and management who are aligned with this policy. It will also ensure its accounting and decision-making uphold these values and are open to shareholder scrutiny.

In partnership with the community

UniCab Australia believes its long-term interests are closely tied to the interests of its core customers.

As well as seeing ourselves as partners in our community, we intend to generate brand loyalty and unusually high levels of repeat business by helping the disabled and mobility impaired.

More broadly, UniCab Australia also believes it is incumbent on businesses to show leadership in the communities in which they trade and on which they ultimately depend. Such leadership not only keeps the business in the public eye for the right reasons, it ensures the business's executives mix with other community leaders and decision makers.

We will be able to do this tax effectively by taking advantage of the Prime Minister's Community Business Partnership initiative. This will allow us to channel a portion of our cash flow directly into projects that make a difference for the disabled and mobility impaired.

Abbreviations

ACCC Australian Competition and Consumer Commission (of Australia)

ACT Australian Capital Territory (A territory of Australia)

ABS Australian Bureau of Statistics

ADA Americans with Disabilities Act (1990)

ADR Australian Design Rules

AFV Alternative Fuel Vehicle (UniCab's are AFVs)

APEC Asia Pacific Economic Cooperation

AQA Australian Quadriplegic Association

AS Australian Standards

ASEAN Association of South East Asian Nations

ATIS Authorised Taxi Inspection Service (Centre)

CoAG Council of Australian Governments

CCNCO Commonwealth Competitive Neutrality Complaints Office

CDDA Commonwealth Disability Discrimination Act (of Australia) 2002

CIE Centre for International Economics

CPA Competitive Principles Agreement

CPA Compliance Plate Approval (granted by DOTARS)

CRR Committee on Regulatory Reform (CoAG)

CRS Commonwealth Rehabilitation Service

CSO Community Service Obligation

DAA Disability Action of Australia

DCNSW Disability Council of NSW

DDA Disability Discrimination Act 1995 (c.95 U.K.)

DOT Department of Transport (state or territory, national or federal)

DOTARS Department of Transport and Regional Services (of Australia)

DREDF Disability Rights Education and Defence Fund, Inc. (U.S.A.)

DRCA Disability Rights Commission Act 1999 (U.K.)

EBITDA Earnings Before Interest, Tax, Depreciation and Amortisation

EEC European Economic Community

EFTPOS Electronic Funds Transfer Point Of Sale

EPA Environmental Protection Agency (USA)

EU European Union

GPS Global Positioning System

HOV High Occupancy Vehicles (Victoria)

IC Independent Contractor (taxi drivers are self employed, independent

contractors (SMEs) though in Australia "permanent drivers" i.e. who drive 5 or more shifts a week, are legally entitled to employee benefits e.g. sick

leave, paid annual leave and long service leave)

IT Information Technology

IPART Independent Pricing and Regulatory Tribunal (of NSW)

IPO Initial Purchase Offer

ITLA International Taxi & Livery Association (until 2001, now TLPA)

HREOC Human Rights and Equal Opportunity Commission (of Australia)

LPG Liquid Petroleum Gas

MCIT Member Chartered Institute of Logistics and Transport (of Australia)

MPT Multiple Purpose Vehicle (Western Australia)

M13 Driver in Distress, Emergency Silent Alarm Signal - alerts Dispatch

Centre & Police

M16 Parcel/Package Delivery – Taxi as Courier Service

NHTSA National Highway Traffic Safety Administration

NCC National Competition Council (of Australia)

NCP National Competition Policy (implemented by NCC)

UniCab Australia Pty Limited - Commercial in Confidence

NSW New South Wales (a state of Australia – with the largest population)

OECD Organisation for Economic Co-operation and Development

OEM Original Equipment Manufacturer

OPBT Operating Profit Before Tax

PDCN Physical Disability Council of NSW

PWD People with Disabilities

QLD Queensland (State of Australia)

RAWS Registered Automotive Workshop Scheme (by DOTARS)

RIS Regulatory/Regulation Impact Statement

SME Small to Medium Entreprises

SWOT Strengths, Weaknesses, Opportunities and Threats (Analysis)

TCS Taxi Combined Services

THCB Taxi and Hire Car Bureau (division of Transport NSW)

TLPA Taxicab, Limousine and Para-transit Association (Formerly ITLA until

2001)

TPA Trade Practises Act 1974

TTSS Taxi Transport Subsidy Scheme

Uctad Set of multilaterally agreed equitable principles and rules for the control of

restrictive business practises adopted by the UN Conference on

Restrictive Business Practises

UN United Nations Organisation

USA United Sates of America

VETAB Vocation, Education, Training, Accreditation Board

VIC Victoria (a state of Australia)

WA Western Australia (a state of Australia)

WAT Wheelchair Accessible Taxi-Cab

WTO World Trade Organisation