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REPORT OF PROCEEDINGS BEFORE

SELECT COMMITTEE ON THE NSW TAXI INDUSTRY

INQUIRY INTO NSW TAXI INDUSTRY

At Sydney on Thursday 4 February 2010

The Committee met at 10.30 a.m.

PRESENT

The Hon. J. G. Ajaka (Chair)

The Hon. G. J. Donnelly

The Hon. T. J. Khan

Ms L. Rhiannon

The Hon. P. G. Sharpe

CHAIR: Welcome to the third public hearing of the inquiry into the New South Wales taxi industry. Today we will be hearing from a range of stakeholders, including taxi drivers, customers of wheelchair-accessible taxis and the Tourism and Transport Forum. A copy of the hearing schedule is available on the table at the back of the room. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded: people in the public gallery should not be the primary focus of any filming or photographs.

In reporting the proceedings of this Committee, members of the media must take responsibility for what they publish or for what interpretation they place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available from the secretariat. Committee hearings are not intended to provide a forum for people to make adverse reflections about specific individuals. The protection afforded to committee witnesses under parliamentary privilege should not be abused during these hearings. I therefore request that witnesses avoid the mention of individuals unless it is essential to address the terms of reference. Any messages from attendees in the public gallery should be delivered through the chamber and support staff, or the committee clerks. I remind attendees to turn off their mobile phones. I welcome our first witnesses from the Tourism and Transport Forum.

CHRISTOPHER BROWN, Managing Director, Tourism and Transport Forum, , and

KARY PETERSON, Manager, Transport, Tourism and Transport Forum, , sworn and examined:

CHAIR: Do you wish to make a short opening statement to expand on your submission or to provide additional information? There is no need to repeat aspects of the submission because committee members have read it.

Mr BROWN: Thank you for the opportunity to appear before this inquiry. I congratulate the Parliament and the Legislative Council for conducting the inquiry. Part of the problem we face with the general issue of taxi reform and regulation, not only in this State but also across this great country, is that too few people of your ilk are prepared to look into many of the problems besetting taxi drivers and their passengers. I appreciate this effort. Based on our experience around the country over the past few years it takes great courage to look at this issue. Of course, that is one of the problems. We come from a number of angles of interest on behalf of both drivers and passengers. The frontline is the people sitting in the front and back seats. We Aussies like to sit in the front seat of a cab and often tell the driver how to get somewhere. But for too long they have been the forgotten players in the industry as we have seen the development of cartels, powerful interests and even collusive practices that have led to negative outcomes for both passengers and drivers.

Of particular note among the passenger class, and our main focus, is tourists, and taxi drivers are our frontline ambassadors. Once tourists have survived the border security process at Australian airports the next challenge is navigating a cab. For us that is a very important part of the process. Going beyond strict commercial interest, my personal interest is the disability community, in which I have been heavily involved for many years. I have chaired a number of groups such as Spine Safe and the Sport and Tourism Youth Foundation, which provides scholarships to people with disabilities. My brother is an incomplete paraplegic. It is a matter of community shame the way we have treated people with a disability in the cab industry for many years. We do not often use the term "philanthropic effort" in relation to a group like Macquarie Bank, but Bill Moss took up the issue of Lime Taxis. The efforts of the mainstream cab industry effectively to destroy that business are a source of enormous shame, and that should be recognised particularly in this State.

From our perspective this is an issue of regulation. The current situation is the result of arrangements entered into by many successive governments. I will provide information about this State, but there are examples to prove my point about things being done better in other places. There has been too close a relationship between successive regulators and the ever-consolidating ownership of the cab industry. That has led to not enough regulation and scrutiny and not enough effort to improve driver standards, and particularly to encourage competition. I am unashamedly of the view—without being a disciple of Adam Smith—that competition is generally and genuinely a good thing: it generally leads to better outcomes; it generally leads to better service; it generally leads to lower prices; and it generally leads to greater transparency in the system. No-one could accuse the cab industry in this State of being overly competitive and no-one could accuse regulators of having pushed for competition. In fact, whether by design or neglect, we have had a failure of regulation in this State over many years.

If it is raining, if it is between late November and Christmas, if it is changeover time or peak hour, every person on the street will scream about there not being enough cabs on the road. However, at 11.00 a.m. or any time between January and October cabdrivers will say there are too many cabs on the road. It is not an issue of demand and supply but of the inbuilt cost structures within the cab system that make it so difficult for the poor cabdriver to make a quid from a reasonable price. We collectively—industry and government—must attack the cost structure which has seen some people get very rich from cabs but which has seen the majority of drivers get a base level of pay and passengers complain about that pay because it means that the industry cannot attract good drivers. We must acknowledge that that is a problem and find a solution. I applaud the efforts of the Australian Competition and Consumer Commission, which is prosecuting Cabcharge for alleged anticompetitive behaviour with regard to radios, licence fees and a raft of inequalities that exist in the system.

Leaving aside the detail of the submission, I remind members that some of our work is based on analytical studies and surveys undertaken around Australia indicating that Sydney is overwhelmingly the worst taxi market in the country. Mind you, it is in good company; it is not as if the rest of the country got 10 out of 10. We got one out of 10 and everyone else got about 3.5. Representing national transport as we do, we say that the worst manifestation of transport in Australia is the taxi industry in Sydney. New South Wales holds many

records across the country, but having the world's worst taxi service is not something of which we should be proud. However, collectively we may be able to fix that. Thank you for the opportunity to contribute today and I am happy to answer any questions.

Ms LEE RHIANNON: Thank you for your assistance with this inquiry. In your opening remarks you made the comment that some people get very rich. One of the challenges of this inquiry is to understand how the taxi industry works. I am particularly interested in your attitude to plates given that 90-plus plates were issued free and there has been much controversy and secrecy around that fact. Is that the concern you were referring to when you made the comment that some people get very rich because there is extraordinary disparity in the industry between drivers and people who own one plate and the people who got the free plates?

Mr BROWN: While the comment specifically includes that, it is more a generic comment about the average cabdriver working an 8 to 12-hour shift who is not moving into a waterside mansion. I am not suggesting that they should, but there is an enormous amount of money flowing to the cab industry generally. The share price or share value of companies like Cabcharge indicates that there is obviously a lot of money in taxis, but it is not going to drivers. If we want to improve service standards, part of that means investing in service quality and providing enough financial incentive to the drivers to improve themselves or to take on the role.

Like you, we have some difficulty understanding the labyrinthian processes around taxi industry ownership. However, I can guarantee that Cabcharge lurks at the centre—Cabcharge's fingerprints are there somewhere. It is at the epicentre of the taxi industry and where the problems exist because there is not enough competition in that environment. The Taxi Industry Association and Cabcharge are effectively the same voice. This has become a company town when it comes to cabs, and we have to do something about it. It has given us the taxi service we deserve to have because of the lack of regulation.

Ms LEE RHIANNON: Considering you have said something needs to be done about it and there have been many attempts to do something about it—I think there have been more than 14 reports on inquiries, many of which have not been released—how we make this inquiry affected is the challenge that we have before us. You really have pinpointed this issue to do with Cabcharge and a close association with the peak industry body. How do we open it up? What are your three key points?

Mr BROWN: I think that issue is probably a role just for industry. I do not see it as possibly a role for a regulator to determine the make-up of an industry association. What I think we do see, though, is that in a perfect world, this is a role for government. Government could provide more licences. Government could effectively break down the monopoly by increasing supply and mandating that supply not be in certain networks. With regulatory frameworks, we see lots of inquiries and lots of good ideas, but it is the lack of follow-through by successive governments in putting those ideas in place. Cabcharge has a very good understanding of the Department of Transport, or certainly the move by its former director-general to go straight to Comfort Delgro Cabcharge was a remarkable one.

Ms LEE RHIANNON: Are you referring to Mr Glasson?

Mr BROWN: Mr Glasson is an honourable man. I have dealt with him over many years. I do not think it did this place well, generally, to reflect upon the relationship between business and government in a place in which I have spent most of my life. I do not think any of us looked good out of that, put it that way. There is too much perception that for 25 years of successive governments that there has been 25 years of a very close relationship with the cab industry—too close a relationship with the cab industry and its regulator. Gamekeeper and poacher should not be as close as they traditionally have been for many years under successive governments in this State. It is simply not healthy.

Ms LEE RHIANNON: We still have this challenge, which is working out clear recommendations. It is a difficult one when it is not fully clear how we arrived at this point. You have spoken about the role of Mr Glasson and the role of Cabcharge. Do you think it would be useful for this inquiry to speak to Mr Glasson, Mr Kermodé and some of the other key players to help understand how we have arrived at this point?

Mr BROWN: I think all key players need to be spoken to, or spoken with, by this Committee. I would hope that Cabcharge and the Taxi Industry Association have had involvement here. If they have not, they should. Everyone deserves their day in court, or their day in the Jubilee Room. I think the Committee's work would only be added to by a contribution by all the major players. One point you raised and one thing I forgot

earlier is that it might just be part of another set of recommendations by the Committee: some issues are under the control of the New South Wales Government, and some are of a Federal nature. The single probably most disturbing element of this is when it comes to the 10 per cent surcharge on credit cards applied by cabs. Unfortunately, like it or not, the Reserve Bank made a decision a couple of years ago to allow surcharging, and the upper level of that surcharging might be at the 1.5 even up to 2.5 per cent level, as some companies do.

CHAIR: Mr Brown, I am sorry to interrupt you. We have some difficulties and we will need to pause for a moment until we can fix the issue.

Mr BROWN: Sure.

CHAIR: Please continue.

Mr BROWN: Every time I use a credit card, as I did this morning when I caught a Silver Service cab on the way in, with a driver who proves you can have good drivers and you can have great service standards and you can have a quality product which I experienced this morning, it is 10 per cent. I said, "Just drop me off at Parliament House." He said, "Oh, there's a taxi inquiry on there today." I said, "Funny you should say that!" Then he said, "Mate, do something for us. That Cabcharge is killing us. It is effectively a licensee of the system." Emboldened by that, as I paid my account with my credit card, I was reminded of the 10 per cent.

It is not only 10 per cent on the fare, but the service fee comes on top of the GST and gets its own GST again. This is one of the great rorts in Australia. This is just disgusting. It is 10 per cent extra to use my credit card in a cab. For what reason? I was told originally that was a dispensation to pay for the radio room. I said, "The booking fee paid for the radio room. That I am paying when I call the cab." I thought the \$250 a month that cab owners are paying Taxis Combined when I am endeavouring to get service is paying for the radio room. Why am I paying another 10 per cent and a GST on top of my 10 per cent, a tax on a levy? That is the single most galling thing that has been allowed to take place through some trumped-up accusation of, "We need an extra 10 per cent to save the cab industry." God help us.

Ms LEE RHIANNON: With regard to these plates, the list of who owns the plates is still secret. Do you think that it would be important for the details of ownership and of the owners of those plates to be made public as a way of helping to get to the bottom of how the system works and how it should be reformed?

Mr BROWN: Unreservedly. Our attempts to determine ownership have been similarly stymied. It is quite simple. It beggars belief as to what would possibly be the privacy arguments about who owns taxis in a licensing system. We know who owns the TV spectrum. The Government issues the licenses. It is another thing whereby the Government gets a return on something that is concrete. We know who owns the radio spectrum and we know who owns other government licences. Why in God's name would we be denied the information about who owns cab plates when it is that mode of transport that is taking our veterans to and from hospital, taking our disabled relatives, and often moving around our children? It is beyond belief as to why that information would not be available to the general public, particularly to our elected parliamentarians.

Ms LEE RHIANNON: The issue of political donations has come up. I notice your organisation also gives money—approximately \$80,000, which is not up there with Cabcharge, but is still quite a bit of money—to Labor and the Coalition parties. Could you comment on why you give that money and how that works?

Mr BROWN: Because we still believe that there is an honourable profession in which you all partake.

The Hon. TREVOR KHAN: Don't lump us all in together!

Mr BROWN: There is a legitimate role for interaction between business and the Coalition. We do not need to give money: there are enough people in this place and other places not have to pay to walk in the door. Never once in our entire career have we paid for access, but we have supported our political system. I believe we should not. I believe the public sector should be paying. I think it should be total public funding.

Ms LEE RHIANNON: Actually I was wondering why you have given \$82,000 between the two major parties.

Mr BROWN: Because that is the system; and until the taxpayer pays for it, somebody has to pay for it—for the proper processes of democracy. With respect, though—and I fully appreciate and am indebted to you

because you, more than anybody, launched this inquiry—my concern is that it probably is not an inquiry about electoral donations. You and I could chat all day about electoral donations; I believe the Greens have a particular focus on it. I wish you could be able to save the trees and fluffy animals and leave the electoral donations to other areas, but while ever it is that system, we will support that system because we support you.

We believe that politics is a noble profession. We do not believe that every politician and every bureaucrat is a crook or that every businessperson is a crook. We presume they are hardworking, honest, honourable people. While ever that is the system, we will vote for any system that ends donations. I will be the first person in the queue who says there should be public funding. That is a crusade we can share.

Ms LEE RHIANNON: In your opening remarks you made reference to the tough conditions under which drivers work. We have had considerable evidence about this. One point of view that has been put to us is that they should be regarded as employees with a clear set of conditions. Is that something that you would support?

Mr BROWN: I think there are two ways you can go. I will invite Kary to comment. Kary is much closer to it than I am. There are two preferred systems. In my parents' generation my grandparents spoke about, "Wasn't it good back in the day when the driver owned the cab." That was a great system. I think RSL cabs began when returning veterans got a cab licence and were owner-drivers. I know it is a kind of "back in the days" kind of stuff and a utopian approach, but as best I can tell, that is a pretty good system—whether it is a classic small business, the person—presumably a man in those days—owned the cab, drove the cab, cleaned the cab and knew his passengers, and it was a system. All great things change and modernity sets in.

It is funny and that what our national survey does best is show where driver standards are best. There are parts of the country where that system still largely exists. The Gold Coast comes to mind. There are a lot of retirees who have bought a cab on the Gold Coast. But in a modern system, that is probably not possible, although breaking down the networks would help. So if you want to go to the other end, it would probably be paid, remunerated, trained employees. It should be one of the two. I think the system we have at the moment is not working. If there is one thing on which there is unanimity in this room, even across the industry, it is that the system is broken and it is question of how we fix it. That driver deserves the protection of employee status. If we cannot have an owner-operator, then give me a fully trained employee.

The Hon. PENNY SHARPE: Thank you for coming in. You referred to regulation. Can you point the Committee to areas of regulation? Obviously your system refers to an independent regulator. Do you wish to expand on how you think regulation could be improved?

Mr BROWN: I will ask Kary to comment on that because I do not want to dominate the whole thing.

Mr PETERSON: Largely the taxi industry in New South Wales is self-regulated, or a lot of the drivers and standards and so forth are administered by the taxi networks. It would be beneficial to the industry to have regulation, or if the government had regulation, focused on the drivers themselves rather than allowing a network to take on that role.

Mr BROWN: I was told today by one driver that when someone rings in and complains to the Department of Transport about a driver, it is referred to the network to follow that through. With all due respect, I do not want that. If I want to complain about my mother, I would go to my father. If my father turned me back to complain to my mother, it is a bit off. It is the same system: if there is a regulator and I have a complaint, I want the regulator to do something about it.

The Hon. PENNY SHARPE: In your submission you suggest that an independent regulator is probably the best way to go.

Mr PETERSON: Definitely.

The Hon. PENNY SHARPE: You point to the Victorian experience and changes that are quite recent. Could you take us through the key features that you think are beneficial? Obviously, because it is so new, include any sense you have about how that is travelling and how that is being measured.

Mr PETERSON: It is definitely travelling a lot better. As you can see from our survey, that was done at the end of last year, Victoria—Melbourne in particular—fared better than the other States. We believe it is

largely because of the regulations that have occurred. Victoria had a 17-point plan that they have implemented over the last six years up until 2008. That looked at driver accreditation, peak service, taxi licences, a 20 per cent tariff introduced since 2004 between midnight and 5.00 a.m. to encourage more taxis on the streets at that time, and it introduced mandatory prepaid fares. They have upgraded their training courses for drivers.

They implemented a new regulatory scheme in 2006 for taxi licence brokers. Basically all the transfer and assignment of taxi licences is through the Bendigo Stock Exchange taxi market. Alluding to Ms Rhiannon's question earlier, that allows for all licence plate owners to be recorded on that particular stock exchange. In Victoria, we are aware of who owns what licence.

The Hon. PENNY SHARPE: Is that just the new plates, or is that all plates?

Mr PETERSON: That is the transfer of plates.

Ms LEE RHIANNON: So that is all plates.

Mr PETERSON: Yes. My understanding is that it would be all plates, actually. They introduced new taxi licences—about 500 of them last year—300 of which were wheelchair accessible taxis.

The Hon. PENNY SHARPE: Are you aware of any public reporting in terms of wait times and experiences?

Mr PETERSON: Not off the top of my head, but I can get back to you on notice.

The Hon. PENNY SHARPE: It would be great if you take that on notice for us.

Mr PETERSON: Yes, definitely.

Mr BROWN: There is also operating in Victoria a lot of the private cab networks. They operate extensively into the Melbourne market, and most people who are in business or who are in some way travelling interstate use them. I recently phoned and they operated those two networks. They operate within a normal cab network, albeit that it is a private cab network, with no cost. In a lot of ways people are deserting the radio network systems in Melbourne to take up the use of the private cab networks because of the quality of drivers, reliability of service and things of that nature. The drivers are deserting the cab networks at the same time. So there is a little bit of a revolution taking place in Victoria—a consumer-based, driver-based revolution—which we can but cheer.

Mr PETERSON: One other thing is that the Victorian taxi directorate did a complete audit of every single taxi in the State over the course of the end of 2008 to 2009. That is something that would be welcomed in New South Wales, for sure. That was to check whether they were all roadworthy, to get the specifications of the vehicle, and so forth.

Mr BROWN: It would be like a nice stimulus measure for the automotive repairers, that is for sure.

The Hon. PENNY SHARPE: Do you have a view on the Commonwealth's announcement about the new national minimum standard for the taxi industry?

Mr BROWN: We have a supportive view. To some extent we campaigned pretty strongly to the Federal Government to say that it is obviously very difficult for State governments, demonstrably, to take on major taxi reform. I say "demonstrably" because nobody has really done it. Victoria has just started. Whether that is fear of driver backlash, whether it is fear of the company backlash, or apathy, I am not quite sure, but it certainly has not happened. We campaigned to the Federal Government to look at things like repealing or looking at credit card surcharging; looking at taking on and giving, effectively, some cover to governments around the country who seem to struggle with the approach of a powerful cab industry. The first move is by the Federal Government. They know our views. I think they are cognisant of the constraints, for lots of reasons, of the State governments. In our view we do see that that a national forum and minimum driver standards and things like that are a good start.

The Hon. PENNY SHARPE: How does the Victorian plan measure customer satisfaction?

Mr PETERSON: The Victorian Taxi Directorate does that. As I said before, I will take on notice exactly what is their KPIs and actual performance record at this moment.

The Hon. PENNY SHARPE: The issue of drivers has been huge over the past three days in this hearing. Clearly the system has difficulties. Will you advise the committee of any places that are doing it better for drivers?

Mr PETERSON: Driver training is the critical factor I believe. It really has been unfair to talk about taxi drivers as part of the transport network and yet not pay them any driver entitlements and not give them proper training. Queensland recently implemented a new training package that talks about English proficiency, driver's knowledge of the State and location of particular destinations. It also lengthened the training course for them. I believe those things need to be looked at here in New South Wales.

Mr BROWN: It is impossible to separate taxi drivers from broader socio-economic issues in Australia. Without a doubt, recent immigrants are very heavily attracted to cab driving and, if not picked up in the training and accreditation system, that can bring with it language problems, cultural issues and geographic knowledge constraints. That has probably been particularly a Sydney and Melbourne issue as dominating much of migration in recent years and one of the issues raised is the increasing number of Chinese cab drivers in Sydney. In Brisbane at the moment, which is one of those old-school markets, almost all owner/drivers, normally those who have been here many generations proficient in language et cetera, there is a real challenge between the growth of large Indian sub-continental students who are driving cabs, and real issues now at a cab-driver level.

With social change, in some ways inside the front seat of a cab, is a microcosm of Australia's migration policy and social issues. In Sydney for many years the problem between welfare and others—I remember the cab industry talking to us many years ago that on the Wentworthville cab the people were only driving two days a week because it was a mix of welfare recipients doing some driving and others. You cannot divorce yourself from, sometimes, unsavoury issues of migration, welfare, driver quality. It could be in some nice weasel words for people who cannot speak English, do not know where they are going and are not well trained, but that is the reality and there is no use tippy-toeing around it. It will always be—whether it is returning soldiers after the war or arriving migrants in more recent times—a natural attraction towards cab driving for somebody with low skill with low English or other vocational skills.

We cannot allow taxi driving to be a job of last resort be it for students part-time or be it for recent migrants. We have to invest in those people. They deserve the investment by their company. They deserve investment by their community. In their skill-set they deserve safety. Their cab is their work environment or office and it deserves to be treated with respect by the passengers who are not late-night drunks or leave a deposit on the back seat or who are not running off without the bill. There is no way cab driving could be described as a glorious profession for the cab driver, particularly those who are not driving their own cabs or Silver Service Monday to Friday, 9.00 a.m. to 5.00 p.m. but those who are filling in the dramatic need, late night pick-up runs from the Cross to the suburbs, or taking disability passengers, with all the physicality issues involved with that. They deserve a little more than we, as a community, as regulators and companies are giving them.

The Hon. PENNY SHARPE: The committee has been looking for passenger experience and is interested in your survey. This week we heard criticism from some witnesses of your survey. Who did you survey? How did you survey? How many people did you survey?

Mr PETERSON: The survey went out to all our 200 members. We had 79 respondents. This was a repeat of the survey we did in 2008 so we wanted to see trends.

The Hon. PENNY SHARPE: Will you conduct this survey annually?

Mr PETERSON: We hope to.

Mr BROWN: In terms of people that is 79 respondents of major corporations around the country.

The Hon. PENNY SHARPE: Who would have ticked the box?

Mr BROWN: We are a chief executive officer organisation.

The Hon. PENNY SHARPE: It would be the chief executive officer or their delegate?

Mr BROWN: In many cases we were told anecdotally from chief executive officers they got their executive and asked them to fill in the document. It was a consolidated view of the executive of that organisation. We are not presuming that it is 79 super consumers but it was of businesses in the tourism and transport sector who have an elevated view of cab driving and are also very regular interstate travellers.

The Hon. TREVOR KHAN: I refer to the 10 per cent service charge which you identify as a problem in the industry. What happens in Victoria?

Mr BROWN: The service charge is a national issue. Originally, five years ago, the RBA made a landmark decision, one of the first countries in the world, to allow surcharging for credit cards. Now to some extent that has become redundant as simply everyone can surcharge. No-one surcharges more than 2 per cent effectively. Cabcharge surcharges 10 per cent but it had a special dispensation before that. I believe either the RBA or a Federal regulator agency—ACCC or somebody—allowed them to charge 10 per cent when no-one else was allowed to charge anything under the guise, I think, in a taxi industry submission, it was to pay for radio rooms. That was the original and only credit card surcharge in Australia for 10 years but now it is just the most exorbitant across a de-regulated system of surcharging.

The Hon. TREVOR KHAN: The problems in New South Wales cannot be put down to the 10 per cent surcharge?

Mr BROWN: No, it cannot. I was encouraging the committee to consider as part of its recommendations—I assume it can make recommendations to other jurisdictions—that that is a federal regulatory issue. In times past you could have made a recommendation saying, "We believe they should not be allowed special dispensation". Now it would have to be under the guise of "While we recognise there is surcharge allowable, why is a cab 10 per cent when a supermarket, Qantas or someone, is only 2 per cent?" It sticks out like the proverbial thumb. That is not going to the driver but to Cabcharge. If that was, maybe, a dedicated fund that went into driver training, safety improvements, technology in a cab or customer service improvements that is fine but it does not, it goes to Cabcharge's bottom line.

The Hon. TREVOR KHAN: Can you identify the level of market control that individual networks have in Victoria, Queensland, South Australia and Western Australia?

Mr BROWN: I do not think we have been able to differentiate?

Mr PETERSON: No.

Mr BROWN: After our application to the ACCC, Cabcharge or Combined, I forget which one, made an application to take over another cab network in South Australia. We went straight to Graham Samuel and made our position known. They had suggested they would investigate the issue. I think the recipients could not believe there was finally some regulation and they backed off instantly and dropped any move to increase their ownership. So I think there was at least a view of the ACCC that there is already significant levels of effective control, be it through leasing, networks, radios, you name it. It is not all through the big guys owning every cab but effectively controlling most cabs. But I do not, under the same thing we raised before of access to information, have the information about specific control levels but I guarantee someone should have. We do not know where it is but somebody ought to find out and publish it for the rest of us to benefit.

The Hon. TREVOR KHAN: If the committee were to conclude that one of the problems that exists in the industry in New South Wales is a dominance of ownership by a particular group or individuals, the only way it can make that conclusion is to be able to compare it with other States and see whether it is a problem there.

Mr BROWN: My anecdotal view is that it might be slightly elevated in this State because of historic reasons but that no State, or very few States—in Canberra there was one cab company until recently and now there are two. I use the word "control" rather than "ownership" because I think it is effective control through a range of measures. There is no saintly State in Australia but New South Wales is probably closer to the devil than most.

The Hon. TREVOR KHAN: I am not being critical of you or any other witness but we have heard a lot of anecdotes.

Mr BROWN: I apologise for lack of detail but that is the problem I identified earlier. We cannot get that information, you cannot get that information but someone has to give that information. We cannot, as a community, be denied that level of information. I am not some massive FOI crusader, let us face it, but this is pretty base-level information that is controlled by regulatory authorities. Please tell us why we are unable to see that? What is the great mystery and secret involved that will stop having one inquiry saying "What is effective control of the New South Wales and/or Australian taxi industry?"

The Hon. TREVOR KHAN: In a sense, from the committee's position, at some stage it will have to try to come to a conclusion as to what is the effective control structure in New South Wales. I am not quite there at the moment.

Mr BROWN: I wish we could assist but we suffer the same lack of access to that information.

Mr PETERSON: I defer to the judgement and comments of Dr Abelson yesterday on those matters. I know that he had a few mysteries about who owns what. Essentially he has probably made the best analysis that I have seen for quite sometime.

The Hon. TREVOR KHAN: I refer to the Bendigo Stock Exchange mechanism for the transfer of plates in Victoria. Are you aware with regard to the transfer of plates in Victoria as to whether there are restrictions upon a purchaser holding multiple plates?

Mr PETERSON: No.

The Hon. TREVOR KHAN: Is it a free market in that sense?

Mr PETERSON: Yes, a free market.

The Hon. TREVOR KHAN: Do I take it that in the Victorian exercise, as I take it in New South Wales, market consolidation can occur if someone simply acquires the plates?

Mr PETERSON: Yes, essentially you are right.

Mr BROWN: I said Victoria is better but I did not say it was perfect.

The Hon. TREVOR KHAN: I am not suggesting that. I am looking for points of similarity and differentiation.

Mr BROWN: That is one of the issues. We have got plates trading effectively at \$400,000. When you buy on the open market you are buying it for \$400,000. That is a hell of an investment for a small business person, particularly when you can keep bidding the price up. You are allowed to pay it off over an era. It is an auction. You can keep bidding the price up. The bid you get bigger. You can just keep bidding it up to take other players out of the system. I am no market economist but someone has got to find a system better than that because, as I said, it is simply leading to a consolidation in all States.

The Hon. TREVOR KHAN: There is another permutation on consolidation that goes to the separation between the owner of a plate and the operator. Do you know in the Victorian or Queensland experiences whether there is that defined difference that we have been introduced to between—

Mr BROWN: There is the lease pooling. They are still allowing it, aren't they?

Mr PETERSON: Yes.

Mr BROWN: The lease pooling where you can buy a plate and put the lease back into the system. I think Victoria is still allowing that as well.

The Hon. TREVOR KHAN: Do you identify that as a potential problem in terms of achieving a degree of market control?

Mr BROWN: I think it is an actual issue that leads to consolidation of control, absolutely. I would relate it to an integrated resort somewhere and they sell off 500 units but you give them back to the operator of the resort to lease them every night. In one single hotel it probably works well but when that single hotel is the entire New South Wales cab industry it simply adds to consolidation. It certainly does not add to competition, put it that way.

The Hon. TREVOR KHAN: I invite you to comment, but I glean that one of the problems that has developed is that the move away from the owner/operator to what may be our current system reflects, for instance, that a lot of plates were held by returned servicemen post war. Many of those drivers have now died. The plates went into the estate, maybe held by the widow or some other relative, but the plate is then leased to another operator who may be a large consolidated entity somewhere in the market. Is that a potential difficulty?

Mr BROWN: I perceive and know that as an actual difficulty. Whether one of the options is a review of lease ownership, whether it is a cap placed on any single entity or controlled entity can only control by lease or ownership a certain number of plates, that is something we would applaud if we applied a competitive standard to break down market dominance. We need more players in the cab industry coupled with some more licence release so that new owner-drivers will come into the network.

The Hon. TREVOR KHAN: We will come to that issue. Do I take it that you also perceive a potential problem if an operator or a related entity to an operator is involved in the operational control of a network?

Mr BROWN: Absolutely, and of a payment system. There are lots of ways you can control the cab industry and an industry association.

The Hon. TREVOR KHAN: Do I take it that in order to achieve a degree of market flexibility there has to be some differentiation between the various segmented, defined players in the market?

Mr BROWN: Yes.

The Hon. TREVOR KHAN: So in a sense that is a vertical separation before we start talking about horizontal separation in terms of the number of networks and the like in the market.

Mr BROWN: And I do not think it is an unreasonable community standard to uphold that a regulator should regulate.

The Hon. TREVOR KHAN: An issue that has been raised is the obligation—and we will talk in terms of the Sydney market—to provide a universal service across the metropolitan area. That seems to be a condition of the operation of a network. Taking account of your hat, what I invite you to comment on is whether that is a necessary continuing requirement, and may I explain that the suggestion has been made that the requirement for universal provision of service across the metropolitan area is one of the reasons why we end up with one, two or three major operators and smaller operators cannot compete in terms of network operators in the market?

Mr BROWN: There are competing issues here. Putting on my hat as an old Parramatta boy, social equity should demand that you can order a cab to go home to Parramatta or Penrith from the city. I suppose drivers would look upon it as "That's a great fare" or "You're kidding, I'm not driving that far". I did not often cheer on former Treasurer Costa, but the one thing I remember he did as transport Minister was demand that when you rang and booked a cab you did not have to say where you were going. That was a pretty big social equity issue.

The Hon. TREVOR KHAN: Page 5 of the taxi council's submission contains 10 recommendations. Could I invite you to look at those and, on notice, comment on each of them?

Mr BROWN: Absolutely, I will come back to the Committee on that.

The Hon. PENNY SHARPE: I have one last question. There has been a lot of discussion about wheelchair accessible taxis. Victoria has gone down the path of releasing more licences. We have had quite a lot of evidence that supports the notion that we should have a universal fleet, which is that all taxis should be wheelchair accessible so that anyone can get into any taxi. There has also been some evidence that suggested that Sydney taxi passengers are not interested in getting into a bigger fleet. Do you have a view on that?

Mr BROWN: Having got a lot of cabs around the world—we often do the London cabbie, that is probably the pick of the group. It does not fully reflect, on equity grounds, the wider applicable views necessarily of all Englishmen, but that aside, it has designed a car. It is not going to happen overnight, and Holden and Ford will scream, along with other major players in the cab industry, but surely we should move in the long term—we can certainly put stakes in the ground now—toward a specifically designed cab that would be wheelchair accessible.

The Hon. PENNY SHARPE: So it is not your view that members would have difficulty, that they want to be in a Holden or a large vehicle—

Mr BROWN: Most people do not like staying in a disability room in a hotel from the perspective that there are larger bathrooms. There is, in my view, an uncommon but widely held view that they do not want to be in a vehicle or a room specifically designed as wheelchair accessible. One thing I would say is to get over it and, secondly, maybe we can, through design, not make it feel like the old disco cabs with a bump in the roof where it is all strange. We can, through smart engineering, design a cab that suits—and with the ageing of the population this is only going to become more of an issue—both a passenger who is walking and a passenger in a chair. There should not have to be offence on design grounds, nor should we continue the inequitable view that "That's not for me". I think we can achieve both aims in future with better design of cabs.

CHAIR: Thank you very much for your time. The information has been most helpful to the Committee. The Committee has resolved that answers to questions taken on notice—and I note that there are a few—be returned within 21 days. The members may have additional questions to give to you on notice, which will be sent to you through the secretariat.

(The witnesses withdrew)

TED HIRSCH, bailee driver , affirmed and examined:

CHAIR: Would you like to make a short opening statement, which expands on or adds to your submission? The members have already read your submission, so there is no need to repeat any aspects of it.

Mr HIRSCH: Thank you very much to the inquiry for its enormously valuable time, and could I add thanks for the great help of the committee staff over the past few weeks? They have been really good.

CHAIR: Thank you.

Mr HIRSCH: I extend congratulations and appreciation for the initiatives in setting up the inquiry. We have had many drivers and the industry has held out great hopes for that. On reflecting over the last few weeks in preparing a submission, it has become very clear, and I think perhaps to the inquiry over the last three days, that it is an overwhelming task. We sympathise with your task. It may be an impossible one. The submission that I have put forward accordingly is not another few hundred individual problems. On the contrary, it is restricted very much to how we can go forward beyond this inquiry.

It suggests three things: First, that the Minister's drivers committee, as a historic first, recognising drivers for the first time ever, be set up and that the normal proposals and matters that come through from T&I that go to the taxi council and other places are automatically referred to those drivers; secondly, that perhaps the inquiry can recommend that the Government ensure that the New South Wales Taxi Drivers Association be the representative of drivers in the industrial relations council, and I should perhaps add in parentheses that for the first five years since August 2004, since its founding, I have been on the committee of the New South Wales Taxi Drivers Association both as minutes secretary and as secretary until the past election.

The Hon. TREVOR KHAN: Whilst I have some sympathy with that, the association has to be a representative body of the drivers. When questioned with regard to how many members there were, we got a non-responsive answer, that is, "We weren't informed". It is a bit hard to invite this Committee to make any sort of recommendation on who should be the representative body if at this stage we have had three different associations come forward and two of them have been prepared to indicate some level of membership, but the New South Wales Taxi Drivers Association, however good they may be, has not been prepared. During your submission, with the others sitting in the background, you can perhaps take on board my concern with your last suggestion.

Mr HIRSCH: May I make up for a little bit of that, Mr Chairman?

CHAIR: Please, go ahead.

Mr HIRSCH: The New South Wales Taxi Drivers Association was a new phenomenon and I would suggest that it is highly representative of drivers, particularly in a forum such as the industrial relations council, and indeed on behalf of other drivers New South Wales-wide. Its motto is A Fair Share of A Fair Fare. It is a non-aggressive, non-adversarial body. "A Fair Share", meaning for drivers, "of A Fair Fare", meaning the industry and the public, are its concerns and its behaviour and submissions, of which I have done many over those five years, reflect those approaches. It specifically represents bailee drivers, lessee drivers and owner-drivers, and that means it covers a very wide field, as you have heard, of the industry. On its committee it has specific positions for each of those, together with other positions, and has members who are bailee drivers on its committee, lessee drivers that lease cabs and owner-drivers who actually own a plate and drive that vehicle. It represents a very broad or wide spectrum of the industry.

The Hon. TREVOR KHAN: It may seek to represent—what I am asking is what are the membership numbers?

Mr HIRSCH: Indeed, and I will come to that. Just after its founding in August 2004 the advice to us from the Queensland taxi drivers association was, "Don't discuss your numbers because, whatever you do, you'll be criticised, no matter how good your numbers are", but if I can respond and break that policy slightly, the numbers have always been in the hundreds, so if I can go that far in transgressing slightly the taxi drivers association policy of not giving the actual numbers—

The Hon. TREVOR KHAN: Not good enough for me.

The Hon. PENNY SHARPE: Is your association incorporated?

Mr HIRSCH: Yes, and by the way our membership goes up and down like a yoyo because it is an annual \$20 membership. In July-August we are down to the bottom until we build back up by whatever means, which are very scarce resources time-wise, to get back in there, get them to rejoin, recruit more, and so on, but in the hundreds is a fair statement, I believe.

CHAIR: We will go to Government members for 11 minutes.

The Hon. GREG DONNELLY: Thank you for coming along today and providing us with the opportunity to ask you some questions in addition to your submission. My line of questioning will be seeking to elucidate some of the material you have already put in your submission. What do you think is the step-by-step program we would need to undertake in New South Wales to enhance and improve the conditions of drivers in New South Wales from where we are at the moment? Given that there has been a long history to get us to this point, surely you and the organisation with which you are associated would have views about the program we need to undertake?

Mr HIRSCH: Thank you. May I sidestep the question deliberately by not going through point by point the New South Wales Taxi Drivers Association submission, for instance, which listed many, many problems but in fact was only scratching the surface. Part of my concern in putting the submission that I have is that it is almost impossible for the inquiry to deal with the huge number of problems. If you give me a few hours I would be happy to respond to your question in great detail and provide my opinions. What I have submitted to the inquiry is that the problems are huge, not only for drivers but, as we have heard from several submissions and presentations, across very many segments of the industry and, as in the immediate past presentation, they are huge intractable problems almost. My recommendation is, if it is possible, and I think that would be a marvellous legacy of this inquiry, if it could recommend and achieve a standing commission or a statutory authority for, in my view, a minimum of five years that could investigate the industry, recommend and, over those five years, have the power to implement change and reform to the industry. I am sorry if I sidestep your question, but I think that is the way to address it.

The Hon. GREG DONNELLY: With respect to the setting and the enforcement of standards for workers in Australia historically, there has been a role for industrial tribunals, either Commonwealth or State, and certainly in the context of taxidivers there is the determination which certainly in more recent times has been there as an instrument which has set some standards for taxidivers in this State. Is it your view that the New South Wales commission utilising this determination mechanism is the way to regulate the terms and conditions of employment for taxidivers in this State?

Mr HIRSCH: Thanks for the question. I think the industry does need a body like it. As I think Mr Mike Hatrick told the inquiry yesterday, there is a great need for change and correction in many aspects of the contract determination, and I would agree totally with that. How that is achieved is almost impossible because of the lack of our representation in the Industrial Relations Commission. That was part of the recommendation of this submission, that it should be the Taxi Drivers Association and not the Transport Workers Union, opposed to the Taxi Council, which is the other party in the Industrial Relations Commission.

A lot of change is needed; I think a lot of injustices have been incurred at the Industrial Relations Commission level. It may be that there is a better body to do those things, and of course there is talk of a fair work change, although I am not sure if that is going to occur, and maybe other people have views that there are better ways of doing that. But that is the current situation. I think it is okay, but it needs a lot of correction and change.

The Hon. GREG DONNELLY: Do you see the need for an inquiry of sorts by the New South Wales Industrial Relations Commission into the terms and conditions of taxidivers—perhaps some sort of test case to look at the whole issue?

Mr HIRSCH: Yes. And I think Mr Mike Hatrick yesterday did ask for a recommendation for a judicial inquiry into that.

The Hon. GREG DONNELLY: In any event, you are saying that there should be a wholesale examination into the terms and conditions of employment for taxidivers in this State?

Mr HIRSCH: Yes.

The Hon. GREG DONNELLY: On the issue of the interplay between the States and the Commonwealth, you would be aware that the Commonwealth has relatively recently announced national minimum standards for driver training and competency. Would you like to comment on that?

Mr HIRSCH: Yes, we were asked on one of the few occasions by Transport and Infrastructure to meet with them and discuss that, together with the visiting national coordinator. We supported it, as indeed did the New South Wales Taxi Drivers Association supported national training, together with improvements in the English testing aspects of it. We noted with concern that the Taxi Council of New South Wales, which has a copyright on existing training systems here in New South Wales, opposes that national training scheme and says that it should be perhaps relinquished to some extent. As Mr Chris Brown said a moment ago, some of those controls over New South Wales, the company town structure of the industry—

The Hon. GREG DONNELLY: On the first day of our hearing this week the Taxi Council appeared. In terms of describing who it represents as an organisation there was a comment about its capacity to represent the interests of drivers. Would you like to comment on your opinion about that, as to whether the Taxi Council as an organisation does represent the interests of drivers?

Mr HIRSCH: I almost had to apologise to the Chairman when that remark was made because I nearly burst out laughing out loud. That is so far from the facts that it is ludicrous. The Taxi Council is anti drivers and it suffers the operators a little bit like Christmas turkeys, if you like, by plumping them up. But it is anti drivers. The example came up on Tuesday or Wednesday in relation to the prepayment of fares, which at the moment is being trialled by the Minister on the Central Coast. That proposal apparently was shown to the Taxi Council—but not to the drivers—for comment. The Taxi Council suggested that they were concerned that people who might be a bit drunk might be offended by being asked to pay the fare in advance, and opposed the suggestion. The drivers had not been asked. Does that mean that the Taxi Council wants drivers to continue to lose those earnings from runners at the end of a trip—apart from the very serious safety consequences for both the driver and the runner? It is an extraordinary remark. The Taxi Council in fact is a very skilfully fleecing drivers in IPART in the fare assessment annually. I have no hesitation in saying that the Taxi Council is anti drivers and it suffers operators. Its real interests are plates, through the networks.

The Hon. GREG DONNELLY: You used the word "fleeced" there, very deliberately I appreciate. On what basis do you make that statement?

Mr HIRSCH: It is also very relevant to the other section of my submission to the inquiry concerning the new plates system, which has been subverted I believe from the stated, and I think honourable and decent, intentions of the bill. The great plate rort—again there were echoes of it here from Mr Chris Brown—is a sophisticated system which works very well. The Taxi Council, which annually makes submissions to IPART, is doing two things. The costs of operators in running a taxi are going up, including the cost of plate leases, and it argues conversely that drivers' costs should not go up; indeed, they should go down. For two years the New South Wales Taxi Drivers Association has argued to IPART that drivers should be awarded at, say, in the order of \$21 an hour, like bus drivers. The Taxi Council submitted, successfully, that it should be \$16 an hour. The effect of that was to increase the operators' share versus the drivers' share of the fare that IPART recommends, which the Taxi Council then takes up the street to the Industrial Relations Commission and argues for the maximum possible pay-in authorised by the IRC.

The Hon. GREG DONNELLY: That is in terms of an annual review of the determination?

Mr HIRSCH: Yes.

The Hon. GREG DONNELLY: The determination is an annual event, and you are saying that is a mechanism that is used to—?

Mr HIRSCH: Absolutely. The Taxi Council does that very well too, and usually walks away with a prescribed set maximum pay-in by the IRC and the next day advises the operators via email and letter how many per cent they can increase their pay-ins. And that has plumped up the Christmas turkeys, so to speak. Operators are very pleased, and they happily then ask for the increased pay-ins from the drivers.

The next step is that the networks unilaterally—because there is no regulation and nothing covering it—increase the plate lease fees. Up go the plate lease fees. Nobody has any control over that; it is a unilateral thing. The networks own very many of them and manage large numbers of them on behalf of plate investors, who are all very pleased with this, and that in turn jacks up the value of the plates. It is a great rort, not dissimilar to the black tulip market of the seventeenth century.

CHAIR: At page 39 of your submission you set out your first submission at 3.1. If I may summarise it. As I understand it you are saying that there should be three separate auctions held. Auction number one should be for all the current drivers to buy one plate only, then when no-one else wants to buy it is extinguished. The second auction is being held for those who want to buy up to five plates. If they already own three plates, they can buy two more. When there are no more of those, you can hold a third auction where anyone else can buy as many plates as possible. Is that a fair summary of your recommendation?

Mr HIRSCH: Absolutely.

CHAIR: How do you then determine setting a price? Are you saying that there should be a reserve minimum price in the first auction, or should it be kept as an open market?

Mr HIRSCH: Open, Mr Chairman.

CHAIR: If you keep it as an open market, do you not then have the situation where the drivers will show up and bid only, for example, to an amount of \$200,000, when there are other operators who would be prepared to give up to \$400,000 or \$500,000? Do you not then end up with a situation of in effect deregulating the value of a plate, so that those who had previously paid \$400,000 suddenly find that plates are being sold for \$200,000?

Mr HIRSCH: In that case I think Mr Chris Brown, who sat in this place a moment ago, would cheer, if that was the effect.

CHAIR: I understand what you were saying earlier about a bailee/employee differentiation. I understand the main difference is that drivers, in particular long-term drivers, are not obtaining what one would call the usual employee entitlements. They are not obtaining their long service leave, sick leave or superannuation, and they are not obtaining a proper hourly rate; they are in a sense contracted out of that because of the circumstances. If it were compellable for all those entitlements to be made to the drivers in their capacity as bailees, does that not risk a situation where the buy-in per shift may suddenly increase substantially, because ultimately someone has to pay for this?

Mr HIRSCH: Yes, and there are a number of conundrums within that. The average IRC maximum authorised pay-in, averaged over the week because the different shifts and so on vary enormously, is \$165 approximately last year per shift over the week. The going rates are between \$120 and \$135. As I mentioned a moment ago, the maximum pay-ins are being plumped up, very cleverly. The actual market rates are considerably below that. The approximate value of the entitlements by IPART is \$9,000 per annum. If that were added to the pay-ins over the year, yes, those \$120 and \$135 pay-ins would definitely go up and would still be well below the maximum authorised IRC pay-in. But they would go up. Part of that conundrum, which I think the inquiry has received some comments on, is on the one hand that this is what all the drivers want; on the other hand that the drivers in fact do not get a choice, which is also true—

CHAIR: Is not the reason for the fact that it is currently \$120, as we understand from the evidence, that the drivers are negotiating that down; that is the fee they are prepared to offer for the pay-in?

Mr HIRSCH: Mr Chairman, I do not believe there is very much by way of negotiation or choice. But a few drivers—not many, I do not think—that is experienced ones, will have a contact or two and know that a mate or someone else is offering a somewhat lesser pay-in.

The levels are also quite different, for instance, amongst lessee drivers in Blacktown to the city areas, where \$120 is more typical in, say, areas like Blacktown, where around the city it is \$135 or so. They are last year's figures. The degree of negotiation and choice is very low and, as has been said here several times, either pay that or go somewhere else, and the same goes for entitlements.

The Hon. TREVOR KHAN: I want to cover a number of issues with a limited amount of time. To go back to the scenario you presented of essentially networks dictating lease fees on plates and the like, you describe a mechanism where almost in 24 hours you say there is an adjustment of the lease fee that is paid for a plate. Is that what you are saying?

Mr HIRSCH: The 24-hours detail, as soon as the Industrial Relations Commission announces the maximum payment, the Taxi Council very efficiently informs the operators of the increase by email and by letter.

The Hon. TREVOR KHAN: There may be nothing wrong with that, I take it?

Mr HIRSCH: No, but after that the networks will then inform the plumped up turkeys, so to speak, of the operators that they are about to be plucked—and that is with a "PL"—and your lease fees of \$28,600 are going to go up by so much more this year. There is nothing that regulates that, and the plates have benefited hugely from the three steps of the Independent Pricing and Regulatory Tribunal, the Industrial Relations Commission and the unilateral increase in the plates.

The Hon. TREVOR KHAN: Let us deal with your terminology of the network. I am not being critical of you but the evidence is important so it has to get a bit beyond the anecdotal. Are you saying all networks immediately notify the change of the lease payment or is it one or two of the networks?

Mr HIRSCH: I do not know. There are 13-odd so-called networks—

The Hon. TREVOR KHAN: That is precisely the case.

Mr HIRSCH: And four major ones plus Lime. The four major ones are the radio booking dispatch—

The Hon. TREVOR KHAN: We know who they are, we have that material.

Mr HIRSCH: Okay. I think St George and some of those own taxi plates.

The Hon. TREVOR KHAN: We have the material that identifies who the networks are. There are two or three major players and a lot of smaller ones. You have made a statement that the networks, in a sense, automatically increase the lease payments. What I am interested in is whether it is the one, two or three major ones that you are talking about or is it all of them?

Mr HIRSCH: I cannot answer from experience. My assumption is it is the two, three, four major ones, because they control the majority of and manage the majority of plates.

The Hon. TREVOR KHAN: Again I am not being critical, but if you are working on assumption, what is the basis on which you give the evidence that the networks increase the lease fees as you have described it to me

Mr HIRSCH: That information comes readily from all the operators that we drive for—"Ted, my lease fees have gone up so much." "But you only got a pay increase not so long ago." "Yes, but now my lease fees have gone up." Yes, the networks advise, I think, I assume, the major ones that control the majority of plates.

The Hon. TREVOR KHAN: I want to get onto some bread-and-butter issues. Could I just invite you firstly, in terms of the 10 recommendations that have been made by the Taxi Council that I think you heard me ask members of the association to take away, to comment on each of those 10 recommendations, expressing your views as to each of them?

Mr HIRSCH: May I ask a question in return?

The Hon. TREVOR KHAN: Of course you can.

Mr HIRSCH: Were there specific aspects of those 10 recommendations that you are interested in?

The Hon. TREVOR KHAN: The matters I specifically referred to were recommendations 2, 3, 4, 5 and 6, which deals with the legal trunk radio groups, on which I suspect you are going to have a different view

to the Taxi Council, and 7, which deals with premium service fees. You might like to analyse, in terms of the premium service fees, what you perceive to be a premium service fee and how you would see it operating. I do not care if you do this individually or in concert with the people sitting behind you. Let me ask another question about the Sydney market. I am not from Sydney but obviously I spend a fair bit of time down here. Has there been a change in the number of taxi ranks that operate in the centre of Sydney over the past decade?

Mr HIRSCH: I do not use ranks; I avoid them like the plague because it wastes a hell of a lot of time. I would drive past the ranks, go around the corner and pick up a passenger off the footpath, and I avoid the airport for the same reason, but I am a bit peculiar, perhaps, in that sense. I think slowly but surely a few extra ranks have come in, and the person who addressed you the other day, Ernie Mollenhauer, is very knowledgeable on all of those things, very precise, and some others would be able to answer you. I think slowly but surely. Then there are questions of special ranks, for instance, in December, Christmas and New Year, and so on, which again, as drivers, we would be happy to provide very sound comments and suggestions on so as to locate them as best as possible for the public and for the taxis to access on the perimeters of the city, for instance.

Ms LEE RHIANNON: Do you consider that radio networks still cater for the security of drivers with regard to the activation of duress alarms and rendering assistance if required?

Mr HIRSCH: They do. But in my submission I have referred to the fact that the radio booking networks who have that responsibility are dying, dying commercially, and that perhaps a major further revolution might be a single bureau booking network for Sydney. The safety responses, M13s and so on, as they are known, are also suffering together with bookings, and so on, because there is no money in them and safety responses are literally a drain on those network's costs. There is no revenue in them, so the answer, strictly speaking, is yes they do but it is often dangerously deficient.

Ms LEE RHIANNON: We were given evidence yesterday that there are changes coming in to how the cameras operate and how the recordings work, but it was said it was a backward step in terms of best practice in Australia. I was trying to understand why that was the case considering that firstly it was suggested there was not money involved, but on questioning it seemed as though there are costs involved. Do you have any comment on that?

Mr HIRSCH: No, I am not terribly conversant with it, but I am sympathetic to your view on that. I think there must be money involved, that is why there is reluctance, but by the same token, as I heard it yesterday there seemed little reason why, if cameras need to be upgraded they should go to a very poor quality of camera—that does not make any sense given the technologies that are available.

Ms LEE RHIANNON: There is often talk about how there is indirect funnelling of fees through the radio networks to the industry association and the council. I am trying to understand how that works and what the attitude of taxi drivers is to that?

Mr HIRSCH: It is an obscure area of the industry. The New South Wales Taxi Drivers Association provided four background papers to the inquiry. One of those is a paper that was originally prepared for the Independent Pricing and Regulatory Tribunal, which is a summary of the structure and the economics of the industry. My understanding is that the TIA and the Taxi Council are like twins—like Danni and Kylie Minogue maybe—with the TIA being very much the unknown party and the Taxi Council being very prominent and public. The TIA membership, as I understand it, is predominately plate owners and that of the Taxi Council the networks, which are closely linked to the plate owners and management, and so on, and that the TIA—and I stand to be corrected—takes a percentage off the radio network fees and that in turn funds the Taxi Council. As well as that, the Taxi Council has a number of commercial enterprises like manning taxi ranks, et cetera. But that is my understanding, that there is a rake off of the radio booking networks, the radio fees that are collected of \$500 per month from each operator taxi, and from the total of that there is 10 per cent or thereabouts taken off that by the TIA and then to the Taxi Council.

Ms LEE RHIANNON: When you spoke earlier you talked about how the Taxi Council does not want national training. Could you elaborate on that? It seems to be cost-effective in going that way as well as an enormous advantage for the industry for both drivers and passengers. Again, what is your understanding of why that is the case?

Mr HIRSCH: The question of cost effectiveness has not crossed my mind but again, as Mr Chris Brown here may have said, there is a stranglehold on training. Training has, by a number of witnesses, been

declared to be important. The sooner that stranglehold is released, and the national training scheme is one way of doing that, the better to be able to open it, to be able to open the training to examination, review, change, whatever. At the moment it is very tightly controlled by the Taxi Council.

Ms LEE RHIANNON: Has anybody ever given any thought to that training being part of TAFE so it is put on to a more formal education basis?

Mr HIRSCH: I am sure both Mr Ernie Mollenhauer and Mr Michael Jools would be happy to give you a supplementary submission on that if you wish.

Ms LEE RHIANNON: I understand the Federal Government recently announced that new national minimum standards would be established for taxi driver training and competency. We have obviously covered that the national standards would benefit the industry. Apart from the Taxi Council are there any other roadblocks in the way here? From your experience—maybe you have not had that much experience of it—but some things we come up against when we are sitting here seem so illogical and when they do not happen you try to grapple with how to get through it.

Mr HIRSCH: We are not aware of any other roadblocks apart from that of the Taxi Council objecting to it for the reasons mentioned.

Ms LEE RHIANNON: Again coming back to how the taxi industry operates, the issue of absentee taxi licence investors comes up constantly. Do you think we should be aiming to have absentee taxi licence investors?

Mr HIRSCH: If I may reply with a quote from the agreement in principle speech and sentiments built into the bill itself. Congratulations on the bill—and not everyone shares that view—but I think the bill with its amendments is a positive step except that it has been subverted within a month by the Minister's own department. The agreement in principle speech states:

The Government wants to attract new entrants who are keen to invest for the long term in building a business and being part of the taxi industry, and it wants to provide opportunities for lessee operators and experienced drivers to take up a new licence and become their own boss.

Amen! If those opportunities prevail that might in turn help to modify the values of the plates and the lease costs rather than having a person sitting in Hong Kong being concerned only about how much his or her \$400,000 plate is earning, for goodness sake, without showing any interest in the industry.

Ms LEE RHIANNON: In your reply you made a comment about legislation that was passed at the end of last year. Your comment was that it was subverted within a month. Could you elaborate on what you meant by that?

Mr HIRSCH: Yes. My intentions and sentiments are mentioned in some detail in my submission. There is another important quote in the agreement in principle speech and it is also in the bill:

... the primary focus is on building a business based on delivering services to passengers, rather than on the underlying capital value of the licence.

Again, amen! That is something in which a Hong Kong investor might not be terribly interested, as distinct from an owner-driver, or whatever. Almost immediately NSW Transport and Infrastructure issued very elaborate tender documents that simply invite anybody to submit tenders in a sealed envelope, up to maximum of 10 plate licences, for the 100 new licences that have been declared available. That is a closed system to which I have referred in my submission as "secret". It is certainly suspect, if not secret. It is not open. It means that an experienced driver who would like to run a cab with a lease—the sort of driver to whom the Minister referred—has to bid against the networks, which can bid for a maximum amount of 10 and who are heavily financed.

There is no competition and there is no chance. It immediately subverts the stated intentions of the Minister and the bill. As the *Sydney Morning Herald* and the *Oz Cabbie* magazine have both said, "We know what will happen. Those 100 plates will go to the networks." The experienced driver who would like to run a small business and own a cab will not have chance. The stated intentions are immediately subverted. The submission recommends—and this is what the Hon. Trevor Khan asked about—that there first be an open auction only for drivers to give them a chance. If all that they can bid is \$200,000, good luck to them. The

second auction should be for small operators who own up to five plates, and the third auction should be for all comers, including the networks and so on. That is simply to respect the intentions of the bill and to give those little guys who want to run their own business a chance.

CHAIR: Thank you for your time and for the information that you have provided to this Committee. The Committee has resolved that answers to questions taken on notice by you be returned within 21 days. Members of the Committee may have further questions, which will be forwarded to you by the secretariat and which are to be returned within 21 days. Again, thank you very much for your time.

Mr HIRSCH: Thank you.

(The witness withdrew)

REGINALD CHARLES BARNES COCKBURN, Owner-operator, Newcastle Taxis
New South Wales, sworn and examined:

CHAIR: Do you wish to make an opening statement? Do you wish to expand on any of the comments made in your submission or provide any additional information? I ask you not to repeat aspects of your submission as Committee members have read it.

Mr COCKBURN: Thank you, Mr Chairman. I am a retired ambulance superintendent who decided in retirement that I was bored and that I would start driving a taxi for something to do. I had three years as a driver and then I elected to mortgage my house and to purchase a set of plates in the Newcastle district. I purchased those plates. The major issues that have come out of the recent legislation for the Newcastle district are quite different from those that I have heard about for Sydney. Having said that, it is of major concern that additional plates may be released into the Newcastle district when at this point in time there does not appear to be any work to substantiate additional taxis in the area.

There are a number of owner-operators. Last Monday evening I went to a meeting of owner-operators in the Newcastle district because they have their own association up there. A lot of owner-operators feel destitute as a result of the situation they have been put in relating to these plates. The plates were selling for about \$220,000 in Newcastle. Since the legislation was introduced, two sales that I know of that were before the manager of the Newcastle district fell through. While about one taxi plate per month was being sold in Newcastle not one has been sold since the legislation was introduced or accepted. That is where I stand.

The only other thing I would like to say is that there is a substantial loss of revenue. Having surveyed some of my colleagues in Newcastle it would appear that within two years there has been a drop of about 16 per cent in income up there, and it has been particularly noticeable since the economic downturn.

CHAIR: Thank you, Mr Cockburn.

The Hon. TREVOR KHAN: You acquire a plate for \$195,000 or \$200,000 in Newcastle. Are there any limitations on uplifting that plate to Sydney?

Mr COCKBURN: To my knowledge it is registered only as a Newcastle district taxi. I cannot pick up a customer outside those district boundaries. I can drop a customer off in Sydney but I certainly could not operate in Sydney with that plate. It is not transferable.

The Hon. TREVOR KHAN: The price of a plate in Newcastle is significantly less than it is for a plate in my town of Tamworth. For whatever reason your market seems to be depressed. Let me refer to the Newcastle experience and you can help me in that regard. Are you a member of the Newcastle owner-operators association?

Mr COCKBURN: I am.

The Hon. TREVOR KHAN: Do you hold only one set of plates?

Mr COCKBURN: I do.

The Hon. TREVOR KHAN: To your knowledge what is the structure of ownership of the plates in Newcastle? In other words, are there mainly owner-operators holding one set of plates, or do people hold multiple sets of plates?

Mr COCKBURN: Quite a large number of operators in Newcastle have only one plate, or in some cases two plates. I believe that one operator has 17 plates. That operator has been in the taxi industry for a long time and he has 17 plates up there. However, that is more the exception than the rule. The president of our association has three plates, but he does not own them; he leases them. In the main there are small plate holders.

The Hon. TREVOR KHAN: What is the structure of the Newcastle taxi network?

Mr COCKBURN: All the taxis basically are now owned by operators. Cabcharge owns the booking network. Approximately two to three years ago the taxi co-op up there sold out to Cabcharge, so Cabcharge

operates the booking system. The training system is organised by Cabcharge and it employs the manager. So the infrastructure is Cabcharge but the owner-operators are independent.

The Hon. TREVOR KHAN: Does Cabcharge provide you with any sort of standard form of lease to use as a model if you wish to lease your plates?

Mr COCKBURN: I have not tried to lease a set of plates, or to lease my plates, so I own and operate the taxi. When I purchased the taxi a standard set of forms had to be filled out and submitted and they had to go through the process of being approved.

The Hon. TREVOR KHAN: Who provided that standard set of forms?

Mr COCKBURN: The management of Newcastle Taxis.

The Hon. TREVOR KHAN: Forgive me if I have missed this, but when you acquired those plates was Cabcharge in charge of the operation at that stage?

Mr COCKBURN: It had just taken over, yes.

The Hon. TREVOR KHAN: Does the equipment in your taxi have to be approved by Cabcharge?

Mr COCKBURN: No. I renewed my taxi last April. I bought another vehicle and put it on the road, not because the other one had reached the end of its life but because I wanted a better vehicle for my customers, for my drivers and for me. At the time I elected to purchase all new equipment—the taxi sign at the top and the security camera system. Cabcharge put in a new computerised system.

The Hon. TREVOR KHAN: That is the thing on the right-hand side where you click all the buttons?

Mr COCKBURN: Yes, but that is another story in itself. I could have transferred the equipment from the old taxi to the new taxi, but I elected to have the best in safety that I could get at the time. Taxi management told me that it was the approved equipment and camera safety system to put in the taxi.

The Hon. TREVOR KHAN: Were you provided with a list of suppliers from whom you should buy?

Mr COCKBURN: No. Management did not supply the list; it supplied the equipment and installed it.

The Hon. TREVOR KHAN: One step further. The management of the network supplied the equipment that goes into the taxis?

Mr COCKBURN: Yes.

The Hon. TREVOR KHAN: Did you have a choice as to whether the equipment supplied by the network should be installed in your vehicle, or could you have gone down to Dick Smith and got your equipment there?

Mr COCKBURN: A company called Cars to Cabs in Newcastle basically specialises in servicing and equipping taxis. I could have gone to that company and had it install the equipment and it could have been a different brand.

The Hon. TREVOR KHAN: There would have been no problem from the network or Cabcharge in going to this other firm?

Mr COCKBURN: No. No pressure was put on me to do it one way or the other.

The Hon. TREVOR KHAN: Have you heard the evidence this morning?

Mr COCKBURN: I heard about two-thirds of the evidence given by the last witness.

The Hon. TREVOR KHAN: Did you hear Mr Brown from the Tourism and Transport Forum?

Mr COCKBURN: No.

The Hon. TREVOR KHAN: What is the Cabcharge fee for using the EFTPOS machine?

Mr COCKBURN: Two options have been available recently. Another provider came along to the owner-operators' association just before Christmas and offered to put a second EFTPOS system into taxis. Some operators have elected to do that. They have a Cabcharge EFTPOS system and the other system. I cannot remember its name. The only problem I saw with that is that you have to have two systems in the taxi, which takes up more room. The new system on offer from the other company will also not accept Cabcharge dockets. If someone has an electronic Cabcharge docket it cannot be put through that system, it has to go through the Cabcharge system.

The Hon. TREVOR KHAN: I take it that that is an issue of software?

Mr COCKBURN: No, it is an issue of ownership. I understand that Cabcharge will not honour Cabcharge dockets that have been put through the other system.

The Hon. TREVOR KHAN: Do I take it that it is a condition of operating on the network that there be a Cabcharge EFTPOS machine in the taxi?

Mr COCKBURN: You have to have one to process Cabcharge dockets, otherwise you lose income.

The Hon. TREVOR KHAN: How many of your fares involve people presenting the old paper coupons—I have not used Cabcharge for 20 years—or the card?

Mr COCKBURN: We still accept both. In my case the percentage is probably fairly low because I operate one taxi. In one shift there might be several and the next day or the next night you might have none. You can also have a shift with no EFTPOS dealings and another where there are many.

The Hon. TREVOR KHAN: I take it that in the Newcastle market the problem would be that a company such as BHP would be used to issuing Cabcharge documentation to its employees.

Mr COCKBURN: BHP is not there any more.

The Hon. TREVOR KHAN: At all?

Mr COCKBURN: Hardly. You are right, Newcastle taxis service the Williamtown airport and many company employees come in with Cabcharge dockets. I regularly pick up the Sisters of Charity and they use Cabcharge electronic dockets. I have regular customers who use them.

The Hon. TREVOR KHAN: But passengers would generally use a flexi-teller card of some sort as well.

Mr COCKBURN: That is more common; using either a debit card or a credit card is more common.

The Hon. TREVOR KHAN: Is a charge imposed for a transaction using a standard flexi-teller card in the Cabcharge EFTPOS machine?

Mr COCKBURN: Yes. Cabcharge takes 10 per cent of the fare plus GST. It does not matter whether it is a credit card, a Cabcharge card or a debit card, 10 per cent plus GST is taken.

The Hon. TREVOR KHAN: If somebody is drawing money out of a savings account, you pay 10 per cent to Cabcharge for the pleasure of that transaction?

Mr COCKBURN: The customer pays 10 per cent plus GST.

The Hon. TREVOR KHAN: Do I take it that there is no credit component in that transaction?

Mr COCKBURN: Yes. As I said, it does not matter whether it is a card extracting money from a savings account, a cheque account or a credit account, 10 per cent plus GST is still taken by Cabcharge.

The Hon. TREVOR KHAN: Is that a handling fee?

Mr COCKBURN: Yes. With the new system offered two months ago, which some operators have taken up, 5 per cent of that 10 per cent comes back to the owner-operator.

CHAIR: It is still the 10 per cent charge but 5 per cent comes back?

Mr COCKBURN: There is still a 10 per cent plus GST charge to the customer, but 5 per cent comes back to the owner-operator.

Ms LEE RHIANNON: Thank you for appearing before this Committee. You spoke about the takeover by Cabcharge in Newcastle. Can you explain when that happened, the circumstances surrounding it and the attitude of taxi drivers to that change?

Mr COCKBURN: As I recall, that happened about two and a half years ago. It happened not long before I purchased my plate. Newcastle taxis were operated by a co-operative of owners. Those owners had several meetings and after being addressed by representatives from Cabcharge, who made an offer to buy out their share of the co-op, they eventually voted in favour of the takeover.

Ms LEE RHIANNON: Do you think that was a good move?

Mr COCKBURN: As I said, I was not an owner-operator at the time—I was a driver. As a driver, I was not consulted in any way; I had no input into the process. When I became an owner it appeared to me that several good things were coming out of it. New computer booking infrastructure was put in place and at face value it appeared to be excellent. In reality it turned out to be a flop—there is no better word.

Ms LEE RHIANNON: Do you mean that it does not work for the drivers?

Mr COCKBURN: It totally failed.

Ms LEE RHIANNON: What did Cabcharge do?

Mr COCKBURN: Cabcharge has been working on it for two years.

Ms LEE RHIANNON: Does it have a backup system?

Mr COCKBURN: No. It failed Friday two weeks ago at about 4.00 p.m. for two hours. It turned out to be a failure in the Telstra system. The Cabcharge system relies on the same system as mobile telephones. My taxi was being driven by a driver and I was at the base putting my M40 docket into my account. I saw all the taxi drivers coming in to see the IT people. Calls from the public were still coming through the booking system but they could not be relayed to the taxi drivers. The scary thing was that at the same time that went down there was no M13 emergency response system.

Ms LEE RHIANNON: For the drivers?

Mr COCKBURN: Yes. If a driver was assaulted there was no way of getting a response.

Ms LEE RHIANNON: That is extraordinary information and very worrying. Have you as an owner-operator as well as a driver received information about progress with restoring the system and ensuring that it works? Does Cabcharge keep you informed?

Mr COCKBURN: Yes. Cabcharge representatives have come to some meetings with the owner-operators' association and spoken about how they are addressing the issues. The system has got better; it is not failing as often as it used to. It failed again two weeks ago. It is not right.

Ms LEE RHIANNON: When it fails is it usually out for a couple of hours?

Mr COCKBURN: It can be longer than that.

Ms LEE RHIANNON: How often do these failures occur—once a week, once a fortnight or once a month?

Mr COCKBURN: They vary. Sometimes it involves an individual taxi. It may not be a total system failure; it may involve only half a dozen taxis.

Ms LEE RHIANNON: I obviously heard your responses to Mr Khan's questions about Cabcharge. You referred to Cabcharge having the infrastructure. Can you explain what Cabcharge is responsible for in Newcastle with to regard to taxis and your interactions with it?

Mr COCKBURN: Cabcharge is responsible for the overall operation and administration of the taxi network. That involves the booking system, management, complaints management procedures, driver training and anything else that relates to the overall administration and operation of the taxis. Cabcharge has a manager in Newcastle, Mr John Woods, who has made a big difference. He is not personally the issue. He is an excellent manager who in my opinion has made a big difference. He administers and manages the operations of the overall taxi system.

Ms LEE RHIANNON: Cabcharge would have judged that the takeover was to its financial advantage. What does it cost you to interact with Cabcharge for training, bookings and so on?

Mr COCKBURN: It costs me \$715 every four weeks to be connected to the Cabcharge network. I also run my EFTPOS machine through its system, which obviously means that it gets 10 per cent of each fare I run through it.

CHAIR: Do you pay a fee for the machine other than the 10 per cent?

Mr COCKBURN: Cabcharge upgraded the machine three months ago. It put in a new machine and it did not cost me anything.

The Hon. TREVOR KHAN: That is kind of it.

Ms LEE RHIANNON: Are you charged less when outages occur?

Mr COCKBURN: No, the \$715 is a set fee. In fact, it was more than that but it was reduced not long after Cabcharge took over the operation of Newcastle taxis. Not long after that it started charging us for uniforms.

Ms LEE RHIANNON: How does it charge for uniforms?

Mr COCKBURN: We go to a supplier and buy whatever is required. There is a uniform you need to buy.

Ms LEE RHIANNON: The uniforms were previously covered and that is an additional cost to you, so it is a saving for Cabcharge.

Mr COCKBURN: Yes.

Ms LEE RHIANNON: What else?

Mr COCKBURN: That is about all.

Ms LEE RHIANNON: Do you have to cover the cost of training?

Mr COCKBURN: Some owner-operators are now being required to go to Sydney to do the owner-operator training. That was not a requirement in Newcastle in the past. I believe it costs about \$990.

Ms LEE RHIANNON: Does Cabcharge pull everybody together in Sydney to do that?

Mr COCKBURN: There has been no owner-operator training in Newcastle; there has only been driver training.

Ms LEE RHIANNON: Do the drivers pay Cabcharge for that training?

Mr COCKBURN: Yes. But when I did it I also had to pay.

The Hon. PENNY SHARPE: Your insights have been interesting. We have had a lot of discussion about data and the way it is reported by the department. You have provided some data in your submission. Do you have a view about being able to disaggregate that data and it being publicly available for Newcastle cabs as opposed to being available to the whole system across the State?

Mr COCKBURN: When I received an invitation to put a submission in to this select Committee, I started to make inquiries of what data was available and what was done with that. I had the basic idea that people had been trained in relation to complaints resolution. I knew that our WATs—wheelchair access taxis—had multiplied.

The Hon. PENNY SHARPE: Do you operate a WAT?

Mr COCKBURN: No, I do not. I knew that they had gone out and they were better meeting requirements of disabled people. I knew that from a practical perspective, but I did not know exactly to what extent until I started making inquiries. I guess to answer you I would have to say there is no data put out to owner-operators about how effective we have been. The data that I supplied, I went and sourced

The Hon. PENNY SHARPE: I take it from those comments that you would welcome the opportunity to get some data feedback on the operation of Newcastle cabs?

Mr COCKBURN: Yes, I would. There is no doubt about that. I was going to say that I would welcome more work too.

The Hon. PENNY SHARPE: Would you have a problem about that being publicly available?

Mr COCKBURN: No. I think it is reasonable to think that we could get data out there and have a look at what we are doing. I believe from what I have been told, and from what I see from working on Saturday night, that the only problems we have in Newcastle in meeting our requirements are for wheelchair access taxis—that has been proved because there has been a substantial increase in those—and, secondly, Saturday mornings and Sunday mornings. They have this lockout system up there with the hotels.

The Hon. PENNY SHARPE: I was about to ask you how that operates for you.

Mr COCKBURN: It is interesting because, when it was introduced, it solved a lot of social-behavioural problems for the community—there is no doubt about that—but it created a lot of problems for the taxi industry up there. What they do at around about 1.30 a.m. is what they call a lockout. If you are not in a licensed premises by 1.30 a.m., you will not be allowed in. The people who are there stay there. At 3.00 a.m., they put everybody out onto the street.

The Hon. PENNY SHARPE: It is not staggered: everyone is out at 3.00 a.m.?

Mr COCKBURN: In Newcastle?

The Hon. PENNY SHARPE: Yes.

Mr COCKBURN: There are some hotels that close at midnight.

The Hon. PENNY SHARPE: Which is before the lockout, but that would be less of an issue.

Mr COCKBURN: Yes, that is less of an issue because there are plenty of taxis available at that time. The problem exists at 3.00 a.m. when everybody is put out onto the street. My guess is that bus drivers do not particularly want to put more buses on the road because sometimes we have enough trouble with four drunk people in a taxi, and I am sure that they would not want 64 people in a bus carrying on the same way.

The Hon. PENNY SHARPE: You referred earlier to the other system that has been offered, other than the Cabcharge system, EFTPOS. You said that the owner-operator gets 5 per cent of the 10 per cent. Do any of the operators pass that on to their bailee drivers? Do you have bailee drivers?

Mr COCKBURN: I noticed from the previous person giving evidence that the system of bailment in Newcastle is totally different to Sydney.

The Hon. PENNY SHARPE: Yes.

Mr COCKBURN: It is totally different—nothing like it. We pay our drivers a percentage. They start at 45 per cent and progress to 50 per cent. What you will find up there at the moment is that there are very few owner-operators paying 45 per cent because you cannot get drivers.

The Hon. PENNY SHARPE: So you pay more than that?

Mr COCKBURN: So you pay 50 per cent. If I paid more than 50 per cent, I would go broke. I am on the verge of going broke now.

The Hon. PENNY SHARPE: Right.

Mr COCKBURN: It is a problem out there. I might be transgressing here, but if we were forced to do things like pay superannuation and so forth, I could hand you my plates now. I could not afford it.

The Hon. TREVOR KHAN: And that is on a \$200,000 plate as opposed to a \$400,000 plate.

Mr COCKBURN: It is a \$200,000 plate. The income is not there. I picked up my taxi on Tuesday morning of this week from the repairer after having it had been serviced overnight. It cost me just under \$900 for that service. I went on the road myself as the driver. I worked 10 hours and I took \$161. If you take out my mortgage and my on-costs, there is no way in the world I made a profit that day. I ran the taxi at a loss.

CHAIR: And if there were a driver, you would have split it fifty-fifty.

Mr COCKBURN: I would have split it fifty-fifty with the driver, and I would have paid for the fuel.

The Hon. GREG DONNELLY: Thank you for attending and speaking to your submission. This question follows the question asked by Ms Rhiannon, who has left the room, on the cost of uniforms. Could you provide some detail on what the actual cost is? I appreciate that you go along and make a selection of the uniform, and you have described that, but what is the actual cost? What would that be in terms of an annual amount? Obviously there is wear and tear on the clothes. Can you give us some sense of the cost of the uniform?

Mr COCKBURN: There is an actual cost. We have gone to a new supplier and, to date, I have not bought any uniform items off the new supplier. There was a sheet put out that listed the cost of each item, like a shirt, a blouse, a pair of trousers or a pair of shorts and things like that. That could be informally supplied to the Committee. But I think a shirt was approximately \$48, from memory, and there were trousers. Then you had to pay \$15 for a Newcastle Taxi logo embroidered onto the clothes.

The Hon. GREG DONNELLY: Chair, provision of that schedule would be of benefit to the Committee. But I must say that \$48 is very expensive for a shirt, plus the \$15.

CHAIR: If you are able to, could you provide us with a copy of the schedule? We will also have the secretariat look into it.

The Hon. GREG DONNELLY: Yes. Is there a requirement to wear not just a shirt but particular trousers, perhaps a vest, and shoes? Are there any specific requirements made of you?

Mr COCKBURN: Yes. There is a requirement to wear what they call a standard uniform. You could elect to have, say, their standard jacket as opposed to a long-sleeve pullover or a long-sleeve shirt or a short-sleeve shirt, and shorts or long pants. There is even approved headwear.

The Hon. GREG DONNELLY: You are saying that a uniform code operates. Presumably there is a document that outlines that? Is that something we can access through you?

Mr COCKBURN: Yes. I can certainly send basically an itemised list of the uniform items, and the cost.

The Hon. GREG DONNELLY: That would be good. To clarify matters in my mind, I return to the line of questioning from the Hon. Trevor Khan about the issue of the Cabcharge arrangements. If you have somebody who uses their Westpac Visa card to pay for the trip, the Cabcharge 10 per cent is on top of that?

Mr COCKBURN: Yes.

The Hon. GREG DONNELLY: If a person actually produces the Cabcharge card itself and gives you that, is there 10 per cent on top of that as well? Does it apply to all transactions?

Mr COCKBURN: Yes.

The Hon. GREG DONNELLY: So it is all transactions?

Mr COCKBURN: It is all transactions. It is the 10 per cent plus GST.

The Hon. PENNY SHARPE: And a GST applies to both, regardless?

Mr COCKBURN: No. It is GST on the 10 per cent.

The Hon. PENNY SHARPE: Yes, but there is no difference in relation to the GST. There is no different GST treatment in relation to whether it is a Cabcharge card or any other type of credit card.

Mr COCKBURN: No. GST is treated differently in that Cabcharge are taking that 10 per cent. It does not come into my bank account as an owner-operator. Cabcharge takes that 10 per cent plus the GST off the customer whereas I collect the GST on behalf of the government from my fare, and that goes into my account and then to the government on a quarterly basis.

The Hon. GREG DONNELLY: Over the course of the hearing this week, we heard evidence from various organisations representing the interests of taxidriviers in New South Wales. Are you in a position to explain your experience with any organisations that represents taxidriviers in the Newcastle area?

Mr COCKBURN: From my own personal experience, I basically only heard of the Taxi Council when I was a driver. I had no idea what they did or what they did not do. When I became an owner-operator, I received more information. Obviously, I became a paid-up member and I get regular information from them now.

The Hon. GREG DONNELLY: Were you required to join an organisation? Is it compulsory?

Mr COCKBURN: I think it basically just occurred.

The Hon. GREG DONNELLY: You obviously made a decision to join.

Mr COCKBURN: I made a decision to buy the plates, and I think the management sent the paperwork through for me to join, I think. I am only guessing here. I really do not know how it occurred that they were notified that I was now an owner-operator.

The Hon. TREVOR KHAN: It is the way people used to join a union. You know, you have all those forms to fill in.

The Hon. GREG DONNELLY: Righto. Have you heard of the organisation known as the New South Wales Taxi Drivers Association?

Mr COCKBURN: I have heard of it, but I have had nothing to do with it.

The Hon. GREG DONNELLY: The Transport Workers Union also has representation in this area. Have you heard of the Transport Workers Union's representation of taxidriviers in the Newcastle area?

Mr COCKBURN: I know of the Transport Workers Union, but to my knowledge there is no or very little involvement now. I would say there is no involvement. I have never heard of them being involved in anything in the Newcastle area.

The Hon. GREG DONNELLY: With respect to the Taxi Council, do they purport, as an organisation, to represent taxidriviers, as you understand it, in terms of your dealing with them as an organisation?

Mr COCKBURN: I guess they purport to do that. There are no meetings, information, or flow of information or anything in the Newcastle area that would indicate any involvement. I certainly, as a driver—before when I was an owner-operator—and as an owner-operator had nothing to do with them. The only association I belong to is the owner-operators association, which the drivers can join in the Newcastle district. It is a self-formed association.

The Hon. GREG DONNELLY: Has that been around for a while as far as you know?

Mr COCKBURN: It was formed as a result of the problems we had with the computers that Cabcharge put in the taxis.

The Hon. GREG DONNELLY: Just so that we understand the sense of time, are we talking about a couple of years?

Mr COCKBURN: Yes. We are talking about less than a couple of years.

The Hon. GREG DONNELLY: Does that organisation have a structure where there are meetings and exchange of information?

Mr COCKBURN: It is a formal structure. There are meetings. There is an exchange of information. There are emails that go out to members. There is a membership fee. There is a formal president, vice-president and secretary-treasurer. It is a formalised committee. It has been incorporated and had legal advice.

The Hon. TREVOR KHAN: How long had you been driving before you became an owner-operator?

Mr COCKBURN: I had roughly three or three and a half years as a driver, and I have had about two years as an owner-operator.

The Hon. TREVOR KHAN: The total income that you receive now as an owner-operator, how much of that involves EFTPOS-related transactions? You can express it as a percentage.

The Hon. PENNY SHARPE: If you have actual data, you do not have to answer now, if you are willing to come back to us on it.

Mr COCKBURN: Obviously, I have bookkeeping and records, so I can give you a formal reply for that.

The Hon. TREVOR KHAN: Could you identify in part of each transaction how much of it is Cabcharge as opposed to what I would describe as an EFTPOS-style transaction?

Mr COCKBURN: That will be hard to do; but for EFTPOS, I can definitely tell you how much.

The Hon. TREVOR KHAN: In times gone by, and I think we are both of an age to remember this, before EFTPOS machines your income as an operator of a taxi would have been the Cabcharge slips, which would have been a percentage of your income, and the rest of it would have been in cash, because 10 years ago they were the only two ways you could get the money. Is that right?

Mr COCKBURN: And the M40 docketts from the Government.

The Hon. TREVOR KHAN: The only ones on which you would have paid a 10 per cent surcharge to Cabcharge would have been on the Cabcharge docketts in those days? Is that right?

Mr COCKBURN: Yes, that would be my guess.

The Hon. TREVOR KHAN: It makes sense. You would not have paid 10 per cent on your cash transaction and you would not have paid Cabcharge on your M40 docketts?

Mr COCKBURN: If I go to Anthony Hordern's and use by card I do not pay 10 per cent.

The Hon. TREVOR KHAN: One would hope not.

Mr COCKBURN: I would not go back again if I did. As a matter of fact I find a lot of my customers are shocked when I tell them that they are going to be up for 10 per cent surcharge.

The Hon. TREVOR KHAN: What has changed now is that on every EFTPOS transaction that is made Cabcharge gets not only its Cabcharge 10 per cent but also the EFTPOS, or other card, transaction.

Mr COCKBURN: Yes, they are taking 10 per cent off the top.

The Hon. TREVOR KHAN: They are creaming, to use an euphemism.

Mr COCKBURN: Yes.

CHAIR: Your evidence has been very valuable to the committee. The committee has resolved that answers to questions taken on notice, and there are quite a few, be returned within 21 days. Some members may have additional questions that will be sent to you on notice which will also have to be returned within 21 days.

(The witnesses withdrew)

(Luncheon adjournment)

GREG KILLEEN, of _____, _____, sworn and examined:

CHAIR: In what capacity do you appear before the committee?

Mr KILLEEN: As a private citizen.

CHAIR: The committee has received your submission. Are there any matters in the submission that you want to read onto the record? Do you want to provide any additional information prior to questioning commencing?

Mr KILLEEN: I have no problems discussing anything that is contained in my written submission which relates to the nexus plates, the taxi driver incentive scheme, the taxi transport subsidy scheme and my efforts in trying to address the issue of wheelchair accessible taxis being registered and licensed in New South Wales as non-compliant with the standards of accessible public transport and any or all of the above, plus I would also be happy to discuss, if time permits and if you have questions, in regard to the taxi transport subsidy scheme Smartcard, training of the wheelchair accessible taxi drivers, and the comparison of costs between setting up and running a regular taxi and a wheelchair accessible taxi, and the proposal for a universal taxi.

The Hon. PENNY SHARPE: Your confidential submission is before the committee. Is there anything in it that you want to remain confidential?

Mr KILLEEN: I did not want it on the website for everyone to read before the actual hearings commenced.

The Hon. PENNY SHARPE: I was seeking guidance on what the committee can ask.

Mr KILLEEN: Absolutely, I am trying to get things changed.

CHAIR: Can the committee remove suppression of publication of your submission?

Mr KILLEEN: Sure, as long as it does not go up on the website, fine.

CHAIR: The submission is to remain suppressed and is not to go on to the website but you have no objection to members asking you any questions on any matter that is related in your submission?

Mr KILLEEN: That is correct, absolutely.

The Hon. GREG DONNELLY: Obviously *Hansard* is on the website.

CHAIR: Are you aware of that?

Mr KILLEEN: Yes.

The Hon. GREG DONNELLY: If the committee probes Mr Killeen with questions relating to his confidential submission, the *Hansard* will show your responses.

Mr KILLEEN: Yes, that is fine. Is there any chance of an opening statement?

CHAIR: Yes, by all means.

Mr KILLEEN: I thank the Select Committee on the NSW Taxi Industry for undertaking this inquiry into the New South Wales taxi industry and providing the opportunity to contribute to it. Although I have provided a written submission in confidence I welcome the committee's questions in clarification about any or all of the matters in the submission. As I am unable to project my voice loudly, please let me know if the committee cannot hear me. Although I make this submission as an individual, I also work on Spinal Cord Injuries Australia in policy and advocacy and represent it when government departments and non-government organisations require input and feedback from the disability sector.

Further to my written submission, if time permits, which I covered earlier, I would like to provide comment about the proposal for the taxi transport subsidy scheme Smartcard, the training of wheelchair accessible taxi drivers and the comparison of between the costs of running and setting up a wheelchair taxi and a regular taxi, and a proposal for a universal taxi. I would also like to make another comment to keep things in focus from my perspective as an individual and for the benefit of the committee. People with disability greatly appreciate the various types of government and non-government support services. They provide the opportunity to be active members of the community and to contribute to society.

The type and level of support services received reflects the quality of life people with disability have and accessible transport, specifically to a wheelchair accessible taxi service which I have been using since its inception in 1981 plays a significant part in my life and that of any other people with disability. For many people with disability the wheelchair accessible taxi services their only option for accessible transport and is the reason why I am so passionate about trying to ensure that people with disability are provided with an accessible, equitable and affordable taxi service. Although I have used the Ambulance Service on numerous occasions I definitely do not require it to take me to work, movies, theatre, socialise with family and friends or to bring me to Parliament, as alluded to by a previous presentation which thought the taxi industry was not set up to support the transport of people with disability.

The New South Wales Government and the New South Wales Ministry of Transport and Infrastructure are responsible for regulating the New South Wales taxi service under the New South Wales Passenger Transport Act 1990, the Disability Discrimination Act and in accordance with its own accessible transport plan. The Ministry is responsible for registration and the licensing of wheelchair accessible taxis and needs to be held accountable. It is almost 30 years since the Year of the Disabled in 1981, almost 20 years since the introduction of the Disability Discrimination Act and eight years since the introduction of acceptable standards for accessible public transport.

The acceptable public transport standards were implemented to ensure transport services gave equitable service to people with various types of disability. However, regardless how many plans, Acts, regulations laws and KPIs are in place to improve services and facilities for people with disability, often the hardest thing to improve is attitudes towards people with disability. I trust the select committee will make appropriate recommendations to approve the New South Wales taxi service and I hope the New South Wales Government implements them.

Ms LEE RHIANNON: I note you have been present during the inquiry and have heard the conflicting viewpoints. I am still coming to grips with understanding the issue. Do you think the committee should hear from other people who are involved in the industry, for example, I have mentioned Mr Kermode and Mr Glasson. Has the inquiry covered all issues? Are there gaps? Should the committee call other people in order to carry out this job thoroughly and hopefully not go the way of earlier inquiries with nothing coming from the report?

Mr KILLEEN: The taxi industry and stakeholders of the big networks, the single owner operators, individuals drivers who drive on an ad hoc irregular basis, the booking system and the people who catch taxis, and, of course, people with disability. I believe that through the 0200 wheelchair booking service, which is a network which broadcasts to all networks, all wheelchair accessible taxis, have a taxi radio for all bookings that come out of Taxi Combined. I am not sure if there has been a submission from that actual department but Mr Paul Bolt who manages the 0200 booking service would be worthwhile. I also believe that drivers do not get a very good deal. I am not sure what is the impact of having a lot of authority within that one department that Mr Paul Bolt runs, but he signs off on WAT applications the drivers they are looking for seeking WAT licences. He is also in control of WAT driver training courses. He also is involved with selling the Toyota stretch Taragos which are modified in a couple of places in Australia.

It is interesting that if drivers purchase a vehicle other than those vehicles, I understand that because of the two radios—one for wheelchair taxi services and one for the main radio set—if someone purchases a vehicle that is converted by another company, although it is an accessible cab, when it is not transporting someone in a wheelchair it can have up to seven or eight passengers travelling in the vehicle. But if they work for Combined their vehicle on the main radio set is registered as a four-seater station wagon. Although it may be able to cater for seven people or more it will not be offered work on the radio for any more than four people. It seems a bit of an anomaly that if someone buys a vehicle elsewhere than Taxi Combined, and works to improve that vehicle, and has been working it for many years, and gets a new vehicle and rocks up and wants to work for them—and this is an anomaly in the system—they will not be offered work off their radio set.

Ms LEE RHIANNON: You mentioned Mr Bolt—

Mr KILLEEN: I do not know who sets the rules but he manages the network.

Ms LEE RHIANNON: Were you suggesting the committee should take up those matters with Mr Bolt?

Mr KILLEEN: Also that the wheelchair accessible taxi licences are \$20 per week and I know the drivers are paying Combined up to \$165 a week for those same licences. I have heard it is an administration fee but drivers are always saying that they need the fares to be increased to cater for the ongoing costs and I do not see why they should be slugged with an extra \$6,000 a year which is the difference between a \$20 per week plate and a \$165 per week plate. Why should they be paying an extra \$6,000 a year? It could even be some of the nexus plates that are for free.

Ms LEE RHIANNON: You may have been here when a statement was made about when people ring up to buy a wheelchair accessible taxi plate and they are told that they cannot do that through the department and are sent off to—

Mr KILLEEN: That was alluded to by one of the taxi drivers associations the other day, that they were told they could not get a licence through the ministry, but could get one through Taxis Combined. Maybe Taxis Combined has got some plates that are not on cars, sitting somewhere that are ready to go out. I do not know. Maybe they have actually got them on cars—

Ms LEE RHIANNON: Is what you are suggesting, that Mr Bolt—

The Hon. TREVOR KHAN: Don't cut him off.

Mr KILLEEN: Maybe they have licences on cars that are ready to go and they can go and lease a car or buy a car through Taxis Combined. They may not be with the ministry, I do not know. They might be on cars ready to go, but the cars that they have could be a variety of cars—the stretch Toyota Tarago or a maxi van that they produce, or it could be other types.

Ms LEE RHIANNON: So they are things that we can put to Mr Bolt. I must admit it is the first I have heard him mentioned, but from what you are saying he could be key to explaining some of these things?

Mr KILLEEN: Absolutely. I am surprised there are no wheelchair accessible taxi driver representatives here raising those issues.

The Hon. PENNY SHARPE: Thank you for coming in. You have had the benefit of having heard all of the evidence that we have heard over the last couple of days.

Mr KILLEEN: Except for this morning.

The Hon. PENNY SHARPE: Yes. I am interested in the smart card issue in terms of the dockets and the way it works. Can you talk us through the practicalities of what it means for people trying to access the subsidy and how it works?

Mr KILLEEN: I was part of the subsidy trial, the smart card trial, and I still have one on me. I think the intent of it was to alleviate or minimise fraud. That was the intent of the smart card. The ministry is looking at introducing the smart card again and I have been involved in consultation about that, but I have pointed out that the way they are proposing is that you cannot get into the EFTPOS machine at the beginning of the journey. But it is not going to work because if the driver turns up on time and the passenger is late the driver has every right to pull the meter, but if it is only going to work with the card in it.

The Hon. PENNY SHARPE: So that is a flaw in the system that you have pointed out?

Mr KILLEEN: It will not work, but they then said you would be able to use your smart card when you are late. When you go out you will be able to put your card in the EFTPOS and then put in the amount, what the

cost of the full journey is, when you get to the destination, which means the driver could put in any amount they like.

The Hon. PENNY SHARPE: So it is not perfect. What are the positives in relation to the smart card, as you have used it?

Mr KILLEEN: You just have to swipe it, you do not have to worry about pre-organising some dockets out of a book, which you have to sign and fill in. I suppose that is one benefit of it. The only further problem would be if I lost it. How long does it take to get a replacement card? I have my 50 vouchers—I am using cards all the time. If I lost my card or my wallet got stolen or left at home and I jump in a cab, I would get to the other end and go "Oops".

The Hon. PENNY SHARPE: I am assuming that cards would be faster to replace than a whole new book.

Mr KILLEEN: True, but it does not help if you want a return trip and you have lost your card. I am not sure what would be in place in the system to address that if it were to happen.

The Hon. PENNY SHARPE: When you were speaking to Ms Rhiannon you made comments about the Tarago vans being maxi taxis, but on the road being recognised through the networks as only able to take four people. Could you take me through that?

Mr KILLEEN: There are a variety of different types of makes and models of vehicles. Most regular cabs seat four passengers. There are cabs out there that are Taragos but are not converted to be wheelchair accessible. Most of the wheelchair accessible cabs will seat seven or more people. The vans, the Toyota commuters, will seat up to 10 or 11 passengers. So on the main set, which is where you would ring up and book a cab, if you have seven people and you book a cab, someone who has a vehicle in the system that is a seven-seater, because Taxis Combined choose only to register it as a four-seater station wagon, will not be offered your job.

The Hon. PENNY SHARPE: So instead they would send two cabs?

Mr KILLEEN: They would send somebody else, whoever bid on the job. It is an open market. The booking goes out. All vacant taxis have a radio. The job comes up A going to B, seven people. If in their system they have taxis 1, 2, 3, 4 as a four-seater station wagon, if it has seven seats it is not going to be offered your job because in their system that vehicle under that registration licence number is only registered as a four-seater station wagon.

The Hon. PENNY SHARPE: I have personal experience of ringing up and saying, "I have seven kids that I need to take somewhere and I would like a maxi taxi, because it is easier, there is only one adult to supervise the children ", and they say, "We can't guarantee that you will get a maxi cab, we'll see what happens", and I end up with two cabs instead of a maxi cab—and I have to say that it has happened twice to me. What you are saying is that there is a systematic problem in being able to deliver that request?

Mr KILLEEN: It is a decision made by the company that when some people purchase a vehicle outside of them—

The Hon. PENNY SHARPE: So it only occurs to people who purchase outside?

Mr KILLEEN: If you purchase a vehicle from another conversion company and go to Taxis Combined and want to get it registered as a wheelchair accessible taxi—

The Hon. PENNY SHARPE: They will not register it as a wheelchair accessible taxi?

Mr KILLEEN: They will register it as a wheelchair accessible taxi on the wheelchair radio. On the main set it is registered as a four-seater station wagon. You can pick up a road job, a street hail with seven people, but on the radio it is registered as a four-seater station wagon.

The Hon. PENNY SHARPE: Are you saying that for those vehicles there are two separate radios, so the cabs must physically have two separate radios?

Mr KILLEEN: Absolutely. They have to pay a licence fee as well, even though it is physically one radio.

The Hon. PENNY SHARPE: So it is physically one radio?

Mr KILLEEN: Yes, but they get charged two radio fees, one for the main set and one for the wheelchair accessible taxi network. Drivers get lots of charges, more charges than required, and the trickle-down effect is that they want more money off the passengers. The issue is that the pressure is coming from the top and the fodder at the bottom is us.

The Hon. PENNY SHARPE: We have talked a lot about the taxi driver incentive payment. What are your views upon that?

Mr KILLEEN: Well, it is no longer an incentive payment. It is paid regardless of whether it is a street hail or private job, a rent job or whether they respond in time.

The Hon. PENNY SHARPE: So, if they pick up anyone in a wheelchair they get the money?

Mr KILLEEN: Only if they have a taxi transport subsidy scheme docket. So, if you are a passenger visiting from another country they pick the person up and they do not get the incentive payment—even though it is a wheelchair booking or a street hail. It is only through the subsidy dockets. I initially thought it was paid for by the networks, which I thought fine, business decision, let us get the drivers, who will be more responsible, more reliable, picking up passengers on time, improved response times, but I found out recently it is the ministry that is paying it. The fact is that I have been going to the Government saying, "How about improving the cost of the taxi transport subsidy scheme for passengers?" If the passengers do not get cabs, cabbies do not get work and they do not get the incentive scheme payment. If you make it more affordable for people to catch cabs, they have a better quality of life, there would be more work for the drivers. I do not see any reason why the ministry is paying—I know why they are paying it, because under the accessible transport standards there is a requirement to have equal response times by December 2007, and that is when the incentive payment came in. I do not know if it was reviewed, but it is ongoing and I had it confirmed during the budget estimates by the Minister that it is paid regardless of whether it is a booking, whether they are half an hour or an hour late. If they pick up a passenger and they give them the subsidy docket, they get the incentive payment. That is not an incentive; that is a pick-up fee.

The Hon. PENNY SHARPE: We have had evidence, which you probably heard, that it has contributed to cutting some waiting times in relation to wheelchair taxis. Do you agree with that proposition?

Mr KILLEEN: The fact that there are over 500 cabs in Sydney now, the response time has been much improved. It has been a number of years since I waited two hours for a cab and got home at 1 o'clock in the morning and I had to plead for my homecare worker to wait for me.

The Hon. PENNY SHARPE: We have heard evidence that there has been a significant amount of work in a variety of different ways, new plates, new licences, new times—the incentive payment is sort of part of a package of things. In your experience, when did it start improving?

Mr KILLEEN: It started improving when more cabs were on the road. Unfortunately for me they were turning up and I could not get into them and had to send them away and book another cab.

The Hon. PENNY SHARPE: Yes, and we heard evidence yesterday about that.

Mr KILLEEN: Yes, but more cabs, unaffordable fares, which meant that possibly less people were travelling. There is a requirement under taxi licences that they have to be on the road a minimum of 10 hours a day they have to be doing the work. I do not know if there is a quota of how many people they pick up or are required to pick up. I know they are not allowed to reject jobs and, if they do, they have to give a "please explain." So there are some licence requirements for them to do the work. We have heard from Lime cabs saying that they have drivers out there who are not even logged into the system. If you do not want to do the work, do not drive wheelchairs cabs at all.

The Hon. PENNY SHARPE: Do you use 0200? As a regular cab user I am sure that there are regular cabbies that you deal with?

Mr KILLEEN: I have been mainly using the 0200 system. In the last 12 months I have made contact with some drivers who I have been able to get into their cab and I have made private arrangements with them. They do not drive all the time, so I could be making a booking or ringing them up by mobile phone and they cannot do the job.

The Hon. TREVOR KHAN: I am interested in your comments with regard to when the subsidy or incentive payment is paid. When do you say it should be paid and when should it not be paid, in your view?

Mr KILLEEN: I do not think it should be paid at all. Someone who invests \$90,000 into a vehicle that is wheelchair accessible—the difference between an accessible cab and a regular cab is that you have the cost of the conversion up to \$35,000.

The Hon. TREVOR KHAN: And the cost of the vehicle.

Mr KILLEEN: Yes, but a regular car is a regular car, so you are converting one. Someone could go and buy a Toyota Tarago and put it on as a seven-seater vehicle as a regular cab. Someone could go and get it converted for \$35,000. There is an extra \$35,000 one-off cost. The vehicle is then allowed on the road for 10½ years compared to six years. They get a \$20 a week plate compared to a \$600 a week lease on a regular plate. There is a cost saving there. They do not have to renew their vehicle in six years like you do with a regular car, it is on there for 10½ years. As a business, they can write it off over 10½ years as you would a regular car, which would cost exactly the same, and so if someone knows what the licence conditions are on a vehicle and invests in that type of vehicle, I do not see that there is a need for an incentive. There are over 500 cars out there. If the driver knows that the licence requirement says you need to do the jobs, respond to the bookings, give people with disability priority and they have all these concessions, the reason why they have the concessions is to save those costs, so they run to do a job. It is \$1,000 a year for a wheelchair accessible taxi licence compared to \$30,000 a year for a regular licence—\$600 a week is around \$30,000 a year—so over 10½ years a wheelchair accessible taxi driver will pay \$10,000 for the licence and over six years a regular driver will pay \$180,000.

If a cab driver cannot run his business to absorb those costs, they are not doing their job properly. I do not see anyone who drives a wheelchair cab starving. They make a conscious decision to go and buy that vehicle and spend their money and drive that cab. We have an Anti-Discrimination Act that says they have to pick up people with quicker response times. Why do people need an incentive to do their job, to comply with their licence requirements?

The Hon. TREVOR KHAN: On what you say, the Government is wasting its money under the scheme?

Mr KILLEEN: I want them to put in the taxi fare subsidy scheme, to make it more affordable for people to get a cab and give more drivers more work. That is what they get their money from. It is a win-win situation.

The Hon. TREVOR KHAN: Under your analysis, is there a merging of the concept of the owner/operator with a driver?

Mr KILLEEN: Would you say that again please?

The Hon. TREVOR KHAN: You talk in terms of the driver. But the driver is often, to use a much-hackneyed phrase, the bailee.

Mr KILLEEN: I do not know the statistics, but the drivers I come across, when I ask them, "Do you own the cab?" the majority of them say, "Yes, I do. It is my cab; I am the owner/operator." Some have another driver, and some do not. Some are under pressure to be on the road for a minimum of 10 hours a day, seven days a week, and do the bookings. Some drivers are now under pressure and are asked by the 0200 WAT booking management, "Why aren't you doing wheelchair bookings?" They say, "I am logged into the system all the time; the work is not there. I don't reject the jobs; the jobs are not there." They are under pressure to comply with the licence requirements, but if you have bookings to share amongst 530 cabs, how can you comply with your licence requirements if there is a quota on the number of people?

The Hon. TREVOR KHAN: I am sorry, could you say that last bit again?

Mr KILLEEN: If you have a requirement to do a certain number of wheelchair bookings and you are logged into the system and you are not offered any work because it has covered in by somebody else, or for whatever reason, how can you comply if there is not the work out there? When some of the drivers have been told, "You are not doing work", they say, " I am logged into the system all the time. You need to give me more work to do."

The Hon. TREVOR KHAN: On that basis am I entitled to conclude that there are enough WAT vehicles out there and that any discussion about increasing the number of WATs is misconceived?

Mr KILLEEN: I could not say that. But I am saying that I live near the airport and personally I do not have too much of an issue getting a cab now. When I was waiting over an hour for cabs, I knew where they were: they were all at the airport. There are obvious black spots: the northern beaches, regional areas—

The Hon. TREVOR KHAN: The northern beaches is a pretty large spot?

Mr KILLEEN: Yes, but still these people in wheelchairs years ago would complain that they could never get a cab. But there are more cabs out there and obviously people are getting picked up, and their waiting times might be lessened. But I am saying that there are drivers out there who have been told, "You are not doing enough work", and they say, "Well, you are not offering me the work."

Everything is not just black and white. It depends on the time of the day and where you live. Are there enough cabs out in Blacktown or Penrith? I do not know. People are complaining that they are still waiting a long time to be picked up, and that reflects the response times in the data. But if you live in the eastern suburbs or the CBD, there are stacks of wheelchair cabs. We are not talking about a situation where you cannot do a street hail or a rank job, but that is not true in the city. When I left here on the first day of the hearing, I went outside and hailed a vacant cab. I jumped in straightaway: there was no booking fee and no phone call required. But I went out here yesterday to go home and I waited 20 minutes and did not see one wheelchair cab. So I put a booking in, and it was there within a minute. A lot of them are running backwards and forwards from the airport; that is where most of them sit.

The Hon. TREVOR KHAN: At the airport?

Mr KILLEEN: A lot of them, yes. Because they are vacant taxis. There is plenty of luggage; families coming back from holidays. That is where they make their money. It does not mean they are not giving priority to people with a disability at times, but that is where a lot of them are: they are sitting at the airport.

The Hon. TREVOR KHAN: I am not being critical of you at all, but the tenor of your evidence—and I give you an opportunity to respond—seems to me to be quite different from the drift of most of the evidence on WATs that we have received in this inquiry to date I think.

Mr KILLEEN: With regard to the response times and things like that?

The Hon. TREVOR KHAN: Yes.

Mr KILLEEN: As I say, Sydney is a big place. I cannot tell you what the response times are for everyone else. I am telling you that when taxis have responded to me, initially I could not get into the cars that were responding, so I made alterations to my chair. I got sick of cabs turning up that I was sending away because I could not get into them. The fact that I live seven minutes from the airport and there are over 500 cabs on the road, I am not waiting long for a cab at all and the cabs that are turning up I can now get into—well, I cannot get into all of them. There are cabs now with short wheelbase. After I made the alterations to my chair, the latest model then came out and the conversion of those vehicles meant that they were even smaller. I said, "How much of my chair do you want me to chop off so I can get into the bloody cab?" It is ridiculous. They are meant to be a wheelchair-accessible taxi, but for some people they are not.

The Hon. TREVOR KHAN: Mr Killeen, you have at least got me on that issue; I do not think we need to go there. I think you wanted to make some observations or suggestions about the universal taxi concept.

Mr KILLEEN: If you consider taxis as part of the public transport system, as the old government buses are retired they are rolling out new, accessible buses, upgrading train stations, and providing more accessible trains. If you were to consider the fact that a regular cab was to retire, why is there not an incentive, as was alluded to by NCOSS yesterday, of 20¢ of the fare to go towards the conversion of vehicles? If a driver's vehicle is six years old and it carks it before that, why is not the cost of conversion covered to allow the vehicle to be on the road for up to 10½ years? It makes sense to me. An extra \$35,000 on top of the cost of the cab that is on the road for up to 10½ years and it becomes an accessible cab. Whether they would get a licence for \$1,000 a year, I do not know. Even with regular costs of \$600 a week, I do not know.

Ms LEE RHIANNON: I am still grappling with the issue within the industry. The other day we heard the disturbing information about the WAT scheme and the difficulties some people have in getting the go-ahead to obtain a WAT. Are you suggesting that there is corruption?

Mr KILLEEN: I am not suggesting there is corruption.

Ms LEE RHIANNON: Can you specify what the problem is?

Mr KILLEEN: I think it is unfair for some drivers who are seeking to drive wheelchair-accessible taxis.

Ms LEE RHIANNON: You think it is more an internal management issue within the department?

Mr KILLEEN: Yes. I do not know who is making the decisions and who has been put in charge of those policies and those management decisions. I am just asking the question whether it is fair on drivers who want to drive wheelchair-accessible taxis.

The Hon. GREG DONNELLY: Earlier in answering a question about the subsidy with respect to drivers you broke the remuneration down into its components. The thing you did not mention, though, is that with respect to a driver who did either exclusively or substantially wheelchair-accessible work on a typical day, compared with others they would do a lot fewer jobs, would they not? If you have a driver concentrating on doing the disabled work—?

Mr KILLEEN: Why would they do less work?

The Hon. GREG DONNELLY: The number of jobs.

Mr KILLEEN: Some drivers are very proactive: they have lots of private clients and they are doing lots of wheelchair work. You get it from Lime's perspective: some doing none or not wanting to do any, and you get some drivers who are very proactive. They are giving out their cards and saying, "Give me a call if you need a cab." They are getting lots of work. A guy I know tells me he does 60 wheelchair jobs a week—or 200 a month I think it was. So he is doing lots. Some people, the way they operate their business they are doing lots, and some end up not doing so many.

The Hon. GREG DONNELLY: Let us take an eight-hour period. You have two comparable drivers, one that does disabled work exclusively or substantially and a driver who does not. The driver who does not would get through a lot more jobs per day, would they not, all things being equal, given the time spent to pick up the disabled person, deliver them to their destination, and assist them to alight from the vehicle, because of the time taken?

Mr KILLEEN: The time taken depends on the modification to the vehicle and the driver's experience and how much they want to dawdle for the meter to tick over so it adds to the fare. Some drivers are very good; they do not even put the meter on prior to commencing the journey. Some drivers put it on the first opportunity they can, and by the time they put their foot on the accelerator there is \$10.50 on the meter. So if you do a short job, say to the local shops, the subsidy is lost. It is a \$25 fare in total. The subsidy is gone. Some drivers can get you in within an hour or an hour and a half, depending on the vehicle. They open up the back, deploy the ramp, put belts on the front, "after you are in?", attach restraints at the back, put a seatbelt on, close up the back of the vehicle, and go around the front you. It is two minutes.

The Hon. TREVOR KHAN: It depends on the nature of the disability that the person has?

Mr KILLEEN: No, it depends on the experience and nature of the driver and the vehicle conversion. Someone in a wheelchair is someone in a wheelchair. What is the difference?

The Hon. GREG DONNELLY: Possible models that have been discussed over these three days. One is that we should consider as a medium to long-term plan raising the tide so that we have a situation whereby all taxis are readily accessible for people who need wheelchair access, and that at the same time we raise the general standard of taxidriviers to be able to accommodate the needs of such people and do that work to a better standard than perhaps is the case at the moment. Another way—

Mr KILLEEN: I used to be involved in WAT driver training.

The Hon. GREG DONNELLY: The other possibility is to take the existing pool that essentially does specialised work, or substantially specialised work, and increase that by a factor of X to provide greater numbers of such vehicles and associated drivers to enhance the service to people in need of wheelchair accessible taxis. Do you have a view of one versus the other being better for planning into the future?

Mr KILLEEN: You could do that—as opposed to a universal vehicle?

The Hon. GREG DONNELLY: Yes.

Mr KILLEEN: And have a specialised driver?

The Hon. GREG DONNELLY: Yes.

Mr KILLEEN: It must still limit the number of vehicles you have access to. People can be trained to do anything.

The Hon. GREG DONNELLY: If they are willing to receive that training?

Mr KILLEEN: Yes, that is right. So, I do not really have any comment on that.

The Hon. GREG DONNELLY: At least some of the evidence we have received seems to be that some drivers are, by nature of their personality or general disposition or view, very predisposed to wanting to serve the interests of people who need wheelchair access to the taxi industry, but perhaps others, without being crude about it, really prefer not to do that work. They would prefer to drive right by than stop. Would you care to comment on that?

Mr KILLEEN: Yes, I see what you mean. If all the cabs were universal you may not have every driver wanting to pick up every disabled passenger.

The Hon. GREG DONNELLY: What I am saying is, is it a possibility for the industry, in order to deliver a better standard generally speaking for people with a disability and who need wheelchair access, that we should look at building that pool of drivers in the industry who have a genuine predisposition to do this work in a dedicated way, as opposed to just trying to get across the board a better standard?

Mr KILLEEN: I think if drivers were better trained and everything for people with a disability and like doing the work, you would probably end up with a much better service.

(The witness withdrew)

ADAM DAVID JOHNSTON, , , sworn and examined:

CHAIR: Do you wish to make a short opening statement, either to expand on the comments in your two submissions or to provide us with some additional information? There is no need to repeat your submissions, as Committee members have already been through those.

Mr JOHNSTON: Only a couple of points I wish to make quickly. First of all, I noted on the radio earlier today the comments of the New South Wales Tourism Council which I would be inclined to endorse. They expressed concern about the structure of the industry. As you know from both my submissions I also expressed concerns about the current structure of the taxi industry. I do not believe it serves passengers or drivers or any other people involved and I believe there are serious competition and probity issues which I hope this Committee will make very strong recommendations to address. To underline the point, when I was looking at the *Sydney Morning Herald* special investigation, it happened to produce a list of all the inquiries previously, either administrative inquiries or parliamentary inquiries, that have not been made public or not acted upon. I think that is the serious context in which we are now discussing many of the same issues that many inquiries have discussed before.

The Hon. GREG DONNELLY: Thank you for coming along today and thank you for your submissions. In your submissions you are quite critical of the radio booking network for wheelchair accessible taxis. I think you describe it as very ineffective. Can you just take us through the basis of that complaint?

Mr JOHNSTON: Let me put that in context. Number one, I have been using taxis ever since I entered university, which was when I was about 18. For the majority of that time I have always used private bookings because on the rare occasions I have used radio room operators—and I can count those on one hand—I waited excessive periods and that sometimes involved hours. I know from the Independent Pricing and Regulatory Tribunal inquiry or review of the taxi and hire car industry in 1999, that it did indicate that it believed the radio rooms were essential for driver safety, however from a passenger's point of view I would not call a taxi radio room if I felt unsafe. I do not think there would be the response. So, I am critical of the radio room. I stand by that criticism. I think it is justified.

Another issue that is related is the fact there is no interrelationship between licensee holders, drivers, radio rooms and the ultimate companies, such as Cabcharge, who run the industry. They are all separate agencies reporting in some manner to the Department of Transport but there are no legal linkages between them of accountability despite the fact that together they make up an industry. You will note that the appendix to my first submission includes a submission I gave to the Disability Council which made an argument for forcibly restructuring the industry so that there were legal linkages and accountability between the different levels of the taxi industry, so there would be a responsibility on the part of licence holders to put plates on taxis. There would be responsibility on drivers but also protections on drivers, there would be responsibilities on radio rooms and ultimately responsibility on the companies to run the industry to make sure they provide a reasonable and fair service to all people, regardless of whether they are disabled or not. That still has not happened as far as I am aware.

The Hon. GREG DONNELLY: If I understand your evidence, and I am not wanting to put words in your mouth, the import of what you are saying is it has been not good, that is the service—

Mr JOHNSTON: The radio room service, yes.

The Hon. GREG DONNELLY: And it continues not to be good, is that what you are saying?

Mr JOHNSTON: I would say so, yes.

The Hon. GREG DONNELLY: How do you book your taxis at the moment?

Mr JOHNSTON: I book them exclusively by private arrangement. I ring my driver directly and have him arrange all my bookings. I either make a telephone call or send him a text message usually about 24 hours before I need to go somewhere so that can be arranged. I do not know how he organises it but he will either come himself or send people he knows. With that I know I will get a taxi when I want it, to go where I want it to go and at the right time, and I will also be picked up at the right time to go back home.

The Hon. GREG DONNELLY: When was the last time you endeavoured to make a booking?

Mr JOHNSTON: On the radio room? Probably in excess of 12 months ago.

The Hon. GREG DONNELLY: What was your experience then?

Mr JOHNSTON: I was waiting. It was another unsatisfactory experience.

The Hon. GREG DONNELLY: Just to be clear, when you say waiting, waiting for an undue period of time?

Mr JOHNSTON: Yes, I think so. I believe, if I remember correctly, it was getting on into an evening and I felt somewhat insecure. I think to resolve the problem I rang my mother and she ultimately came over to collect me so I did not need to worry about waiting for the radio room to respond.

The Hon. GREG DONNELLY: With respect to the arrangement you describe that you have where, in effect, you have your own driver or through your own driver access to a driver to do the jobs you desire, do you know that is something commonplace amongst people who need to use a wheelchair in Sydney to make their travel arrangements with taxis?

Mr JOHNSTON: I understand it is common amongst people with a disability that I know. Many people appear to use them. I note it is also acknowledged by the Independent Pricing and Regulatory Tribunal in its 1999 report. So, it has been a longstanding practice which, in my view, will no doubt continue because the radio rooms as they are currently operating represent in my mind a market failure. They are not responding, and eventually people are choosing not to use them. I certainly am choosing not to use them. I think that is reflective of a good number of people, let me put it that way.

The Hon. GREG DONNELLY: Essentially the reason you do not use them is the waiting time you have experienced in the past is unsatisfactory for you?

Mr JOHNSTON: Yes, and in comparison I do not experience anywhere near the same difficulties or waiting times with private bookings. They are prompt, they turn up when I need them to, and again I think it is partly because a group of drivers know they will get regular work and they are much more likely to continue the regular work, and I am happy with the service I am now been provided with. Yet, drivers are still required to pay several thousand dollars to maintain a radio which possibly several of them have limited use of or limited need of.

The Hon. PENNY SHARPE: Thank you for the information you have given us. It is very comprehensive and clearly you have discussed this issue before.

Mr JOHNSTON: Yes.

The Hon. PENNY SHARPE: I am interested in your views around the universal taxi plate idea. We have had much discussion over the past few days about what this Committee could recommend in relation to improving response times and service for people in wheelchairs, and other people with disabilities—visually impaired people have also been an issue. Do you have a view about whether all cabs should be wheelchair accessible? Is that the preferred way to go, or another model we have discussed is increasing the number of available taxis. I am interested in your view.

Mr JOHNSTON: I would take the latter view for a couple of reasons. First, back in about 1998 I expressed that view to the disability standards inquiry run by the Federal Attorney-General's Department. My view has not changed simply because, on statistics, about 20 per cent of the New South Wales population—and by the same token the Australian population—has a disability. That means that 80 per cent do not. Also, when you try to apply a universal standard, invariably you run into difficulties. People have slightly different equipment, or different sized chairs and things like that, which do not fit into a universal model. So many times in my life, whether it be filling in forms or dealing with government departments, or whatever, I have been given a page and I have been asked to tick several boxes. I have never found myself fitting neatly into those boxes.

Under a universal taxi arrangement you would be presented with that sort of problem. I doubt whether the States could agree on what a universal taxi would look like, if you could get together people on the Council of Australian Governments. To make an example of this, I have sat on a number of disability and access committees. Several years ago I was speaking to a civil engineer who said, "We are more than happy to expand doors for you or to change things." However, he found that every couple of years somebody would make a new measurement of the standard footprint of, say, a wheelchair, and it would change. All the engineers would then have to go around scratching their heads and saying, "But now the standard has changed. What is it now?"

While the universal taxi looks, on the face of it, to be appealing, because of the changes in technology, needs and standards over time, you might end up with a redundant universal fleet as soon as you get it on the road. There has also been some Canadian research, which admittedly is now dated. Canada did some studies and I think it had a universal bus service in Toronto. But it found that people with disabilities were not making increased use of the bus service; it tended to be used more by mothers with prams.

The Hon. PENNY SHARPE: There are benefits for everyone from having more accessible vehicles. However, I hear what you are saying. Based on what you just said, there are lots of arguments about how much more money in the form of government subsidies can be put in and should be put in. It sounds to me as though you think that money could be better redirected within the system to deal with some of the problems that we have at the moment. Clearly, radio fees are one such issue to which you point. Are there any others?

Mr JOHNSTON: From what I have read online and in the newspapers—I have deliberately put some appendices to my submissions to underline this view—there are several intense structural problems within the industry. One of those problems clearly is called Cabcharge. Another is the fact that when the wheelchair accessible taxi [WAT] system was first introduced, the Government in its wisdom decided to make a certain number of the taxi plates free. It has continued to do that. According to the investigation conducted by the *Sydney Morning Herald* those taxi plates were supposed to be operative only for a certain amount of time; they were not supposed to be sold.

Successive governments changed those rules and allowed Cabcharge in particular to hold a great number of plates and also to withhold a certain number of plates from the general market. I would say that that has been a factor in the rise in the value of individual plates. As I said in one of the submissions, we have to grandfather those plates that have already been released. However, we certainly need to ensure that in future the Government avoids the idea that, simply because an issue relates to people with disabilities, they are either charity cases or basket cases. By that I mean that we should be seen as market participants as much as anyone else. In an ideal world those plates should have been released in a free market at, say, a public auction or through tender so that we did not end up with one organisation having so much of a dominant force or a near monopoly force within the market.

I think it has done a lot of damage to what otherwise could have been a very competitive industry. By comparison you can see what has happened with the hire car hardship report. That also reflected rather badly on the transport department's management of a market, or its failure altogether to let a market operate as a market. What we now have in the area of taxis is a large company—Cabcharge—holding a number of radios, holding a number of cab companies, holding lot of taxi plates and, at the other end, holding one of the most profitable means of payment. That should be a matter of concern to government. I think it should reflect rather badly on the management of this industry by the transport department over a long time.

I would certainly suggest to this Committee that, given the state of the industry, you could even mount an argument—which was recently mounted on the *7.30 Report* when it was talking about population—about the extent to which State governments have failed to deliver infrastructure such as transport and water. There is an argument for independent commissions in relation to the management of our cities.

The Hon. TREVOR KHAN: I want to ask you briefly about your arrangement with your driver, your nominated taxi driver, and his friends.

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: Clearly I do not want you to identify the driver in any shape or form, and I do not want to know anything about him. Do you have his mobile phone number?

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: At some point in time he has given you his card—for the sake of the exercise we will say that his name is Tony—and Tony has said to you, "When you need a taxi give me a call"?

Mr JOHNSTON: Yes, and either Tony will turn up himself or he will arrange for somebody to turn up for me.

The Hon. TREVOR KHAN: In fact, when you ring him up and say, "I need you tomorrow", he will say, "I will not be available, but I will ring one of my mates and get him to turn up for you"?

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: If you did it on a short-term basis, that is, you decided you needed a taxi in an hour, do I take it that you would ring him up on his mobile—you would hear his car going in the background—and he might say that he is unavailable but he might also say, "I will give somebody else a call to get there"?

Mr JOHNSTON: If I wanted a taxi in an hour I would certainly do the same thing. However, that would represent bad planning on my part. As I indicated previously—and basically it is also a courtesy to the drivers concerned—I always attempt to plan my days, and even my weeks, at least 24 hours in advance so that I can inform Tony exactly what I need, what time I need to be at one place, what time I need to be picked up, and what time I need to be taken somewhere else. That is how it works successfully. I would say that a good number of people with various disabilities have also found that system to be fairly successful.

The Hon. TREVOR KHAN: That does away with one question that I was going to ask. Are you aware that the Taxi Council made a recommendation to this Committee that reads as follows:

Due to the threat posed by illegal trunk radio groups and the ongoing inability of the taxi industry to provide a true public transport service, the regulations regarding unauthorised communications equipment in taxicabs should be strictly enforced.

Are you aware of that?

Mr JOHNSTON: No, I am not aware of that. However, I would oppose that in the strongest possible terms. As a matter of fact, I would oppose the Taxi Council in the strongest possible terms.

The Hon. TREVOR KHAN: Let us do one thing at a time.

Mr JOHNSTON: Okay.

The Hon. TREVOR KHAN: Let us deal, first, with that recommendation. If the Committee adopted that recommendation would it prevent—

Mr JOHNSTON: It would prevent me from gaining reasonable service. If that is going to be a formal recommendation my response would be to take a copy of that report and a copy of whatever the Taxi Council has said, and refer it to the Australian Competition and Consumer Commission [ACCC]. It is a restraint of trade.

The Hon. TREVOR KHAN: Let us not worry about that; I am worried about my Committee at the moment.

Mr JOHNSTON: Okay.

The Hon. TREVOR KHAN: One of the concerns that the Taxi Council expressed is that individual arrangements, such as the one that you described, potentially impact on the provision of a universal service—essentially what is described as the cab rank rule. Because you are cherry picking you make it more difficult for others. What would you say about that proposition?

Mr JOHNSTON: I would say a couple of things. First, in relation to taxis, even though it is called the cab rank rule it does not work.

The Hon. TREVOR KHAN: It does not work in law either.

Mr JOHNSTON: No. I am a solicitor so I also know what the cab rank rule is in law. In relation to taxis it is rather an oxymoron that it is called the cab rank rule. In my experience it simply does not work. If you want to get somewhere at a particular time—to an appointment or to a meeting—be it official, work, medical or to attend a parliamentary committee, you would not put the booking on the radio network, as you could not guarantee that they would arrive. I could not guarantee to you that I would arrive.

The Hon. TREVOR KHAN: I refer to the taxi network issue. We have heard evidence about the 0200 number and the operation of that number, or that network, in parallel with the general network. Have you had experience with the 0200 network as well as the general booking network?

Mr JOHNSTON: The number that I have rung on rare occasions would have been the 0200 network. I use it so rarely because my few experiences have been negative and because at any time I hear about it people's experiences are generally negative. I simply do not use it. Going back to the point that you made, that is an individual in a market making a market choice. I have found a better system to deliver me the services that I want when I want them, and I have found a series of providers who are happy to provide it for me.

The Hon. TREVOR KHAN: If you do not mind me asking, when you use your private network for the purpose of getting a cab do you pay a booking fee?

Mr JOHNSTON: Let me tell you how Tony usually operates. I am fairly predictable and I go to the same places, therefore, generally I think he sets a standard fee.

The Hon. TREVOR KHAN: That is where I was going next. Do I take it that essentially you have a negotiated rate with Tony?

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: For your transport?

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: Does that reflect what you would estimate to be the normal fare?

Mr JOHNSTON: Yes, it does. I get the half subsidy and I then pay the other half, unless someone in the agency agrees to pay the other half of the fare. My cash payments have risen in line with how I would expect them to rise. I think that they are at the reasonable market level that would be charged to any passenger, however he or she books a taxi. As I said, I get good and consistent service and I am charged reasonable amounts. I do not expect Tony to charge me amounts that would leave him out of pocket; I expect him to charge me the fair market rate, and I am sure that he does.

The Hon. TREVOR KHAN: I move away somewhat from your particular circumstances. As you have a reasonably laissez faire approach to the taxi industry, one of the propositions that has been put forward by the New South Wales Taxi Association was that customers and drivers should be in a position—and I hope that I am paraphrasing its proposition—to negotiate rates as it sees fit. Would you have a view as to such a proposition?

Mr JOHNSTON: I have no difficulties with that at all. Can I go a bit further? One of the models at which this Committee should look is the London model and how it runs taxis.

The Hon. TREVOR KHAN: Excellent.

Mr JOHNSTON: London has a two-tiered system whereby you can pay a premium or a higher level for a fully uniformed taxicab driver, or you can go at a lower rate and get a minicab. That appears to work fairly well. Again, it is mentioned in the Independent Pricing and Regulatory Tribunal report, which I am happy to provide.

CHAIR: We have a copy.

Mr JOHNSTON: That makes several comments about the system and they appear to be complimentary. The United Kingdom Government has some regulatory responsibility, but my sense of what the

Independent Pricing and Regulatory Tribunal is saying is that beyond basic safety and car standards for both systems the market, passengers and drivers are pretty much left to sort out the market to and fro. Again, I have no difficulty with that. I think the New South Wales example shows the dangers and deficits of an over-regulated system.

The Hon. PENNY SHARPE: You seem to have quite a good knowledge of the London system. How does it deal with the issue of universal provision?

Mr JOHNSTON: Unfortunately, the reports that I can rely on do not go into that depth. Again, because I have not travelled there, I cannot comment specifically on that issue. However, I would generally say that probably these days one would find that there would be some accessible minicabs and certainly with premium taxis.

The Hon. PENNY SHARPE: I did not explain what I meant. I was referring to a universal service guarantee as opposed to a universal taxi fleet in the deregulated market. We have had evidence about black spots in Sydney, particularly for wheelchair accessible taxis, and the implications of moving to a more free-flowing market system. Are you aware of how London deals with full geographic coverage?

Mr JOHNSTON: London has put in place a number of other strategies. It has imposed limitations on the number of cars in the CBD. If you take a car into the CBD you have to pay an additional charge. It also has additional walkways so it is easier for people to walk from A to B and they do not have to use as much public transport. London also operates on the idea that the principle form of getting around, particularly in the CBD, should be either ambulatory or public transport, be that taxi, bus or some other means. I think they partly deal with black spots by having model forms of public transport and making pedestrian life as easy as possible.

Ms LEE RHIANNON: I apologise that I was not here earlier and that I missed some questions and answers. I understand you dealt with the issue of the universal taxi. One of my colleagues said you raised concerns about going with one fleet and being locked into a specific type of technology. You may have covered this, but do you still think that there could be room to go with a universal taxi fleet that was accessible to people in wheelchairs but possibly using different technologies?

Mr JOHNSTON: What are those technologies and how large would the vehicle have to be to ensure it could fit almost anything? I went to a small special school and there were many people with high dependency needs. They had very large wheelchairs but they still had to get into taxis because of the school runs. That involved several very large vehicles to accommodate electric wheelchairs that were almost vehicles in their own right. Indeed, one or two had to be registered as a vehicle and had lights and a number plate. When we are talking about universal taxis the problems is that we are not talking about a universal wheelchair. I have never seen that and I do not think I ever will. I reiterate the concerns that I expressed about the universal option because we do not have the universal disabled person or the universal disabled wheelchair. It would be difficult to design a universal taxi which met all requirements and which could still fit on the roadway, under bridges in garages and so forth.

Ms LEE RHIANNON: I refer to aspects of the operation of WAT driver incentive payments. Can you throw some light on how it works? I refer in particular to why Cabcharge was the only payment provider to process WAT payments. Do you have any background in that? Have you come across that in your work?

Mr JOHNSTON: In preparing my submissions to this inquiry I have been mindful of reports in the newspaper. You will note from the footnotes in my submission that I have drawn on the *Sydney Morning Herald* special investigation into the taxi industry, and in particular into the operations of Cabcharge. I again express concern about the fact that a viable commercial business, as in Cabcharge, was given WAT plates for free on the basis that it needed them free of charge because it was dealing with disabled passengers. I note that the Independent Pricing and Regulatory Tribunal report and any number of other reports continue with the assertion that there needs to be either free provision or other subsidies because disabled passengers take longer to load and things like that. As members will note from my submissions, I challenge and, indeed, refute those assertions because I cannot find any scientific studies dealing with the issue.

Ms LEE RHIANNON: Are you refuting that it takes longer to load?

Mr JOHNSTON: I am refuting the assertion that it is necessarily more time-consuming and more difficult to load or unload a disabled person from a taxi. I refute that on the basis that, first, I have not seen any

recognised studies. Secondly, as I explained to the Committee, if you are a WAT driver and you have a series of regular passengers and committed, predictable work, even if there is a time delay, when everything is evened out you probably would not lose much—you might even gain. I do not know. Again, I do not believe that any scientific work has been done and that the assertion has simply been accepted.

Ms LEE RHIANNON: Mr Killeen, the previous witness, mentioned Mr Paul Bolt and said it might be useful for the Committee to hear from him about how the WAT system operates. Have you had any interactions with Mr Paul Bolt? I am trying to ascertain how useful that would be.

Mr JOHNSTON: I cannot tell you anything about that person because I have never met him.

Ms LEE RHIANNON: In response to an earlier question you mentioned Cabcharge being given the plates for free. Should that be rectified now? How should that issue be managed? It continues to dog the industry and we are trying to make some recommendations.

Mr JOHNSTON: Yes, it does. First, going back to my submissions, I accept that that has happened. I do not think it was a good idea and it has perverted the market, for want of a better word. It was unnecessary, but it has happened and it should be grandfathered. From now on, if at all possible, the plates should be dealt with as a marketable commodity. Perhaps they should be publicly auctioned. It should certainly be a transparent and market-focused approach.

In relation to Cabcharge in particular, this Parliament should think seriously about the power that remains in the Taxi Council and the market power that Cabcharge holds. I remind the Committee in my submissions that corporate personality was originally a privilege that was granted directly by Parliament. This Parliament, because it is a state parliament, is not constrained as is the Federal Parliament to provide compensation. Equally, it can exercise omniscient powers. Therefore, it is open to the Committee, if it so chooses, to legislate to amend what Cabcharge can do and how it does it.

I draw members' attention to one of your own briefing papers from 2008 which relates to transport in big cities and which refers to the Tokyo metro system. Admittedly, 57 per cent of Tokyo's transport is provided by trains. I am referring to Briefing Paper No. 6 of 2008 "Transport Problems Facing Large Cities". I found it on the web page. It is interesting because the Tokyo system is operated partly by the national government and the regional governments. They are the shareholders or interested parties. Not only do they control trains and so on but they also have interests in other related businesses such as shopping centres. They can obviously cross-subsidise maintenance and growth in the transport sector.

CHAIR: Is that a Parliamentary Library paper?

Mr JOHNSTON: Yes, it was produced by the New South Wales Parliamentary Library Research Service. The authors are Tom Edwards and Stewart Smith. The other point I was making was about the Parliament's ability to amend the operation of Cabcharge if it chooses. I am basing that partly on my general knowledge of the Commonwealth Constitution, but specifically the Parliament of New South Wales paper "Separation of Powers: Doctrine and Practice", written by Graham Spindler and published in about 2000. Again, I can provide that to the Committee.

CHAIR: We can get that.

Ms LEE RHIANNON: You referred to the Committee seriously considering the power of the Taxi Council and you made reference to Cabcharge. We are coming to the end of the third day of hearings in this inquiry. I hope we can have further hearings because this is such a complex issue. Your comment suggests that you think we should be delving into how Cabcharge works. Is that where you were going?

Mr JOHNSTON: The Committee should certainly examine how it works. However, I also believe that it should seriously consider its right and ability to legislate to amend how Cabcharge works. You have that right; you have an ability to acquire land and theoretically to acquire a corporation as well if you take the view that it is no longer operating in the public interest. Given what I have read about it—and all the information is on the public record—I have concerns about a company that seems to have control of an industry at one end, as in plates, and at the other end of how we pay for transport and the use of Cabcharge dockets.

We leave it up to you as to how you deal with that, but I remind you that you are the legislative body. I commented on that fact in at least one of my submissions. We in the public can draw these concerns to your attention, but ultimately it is the legislators who need not only to present the reports but also to have the courage to legislate, sometimes against large vested interests. Again, that is the point made by the Disability Council in its draft report on people with disabilities and the taxi industry, and issues in that industry.

The Hon. TREVOR KHAN: If you were to pay a fare by credit card, do you know whether the subsidy scheme picks up only that part of the fare that relates to the fare, or does it pick up also the surcharge that Cabcharge pays on an electronic transaction or on a card-based transaction?

Mr JOHNSTON: There are two points there. Firstly, mostly my transactions are by the paper system.

CHAIR: I assume you mean cash?

Mr JOHNSTON: No. I mean partly cash, but I mean that the dockets are paper. Just in passing, that is another thing I would like to flag with you. For years we have been trying to get an electronic card. We still do not have one. The technology exists. It has been endorsed a number of times, but it is still not here. The technology exists. It would make things much simpler for me. I would not have to fill out dockets and sign things, which would be much easier with my hand function. Again, this is another issue. I would like an electronic card.

I would like it not to be automatically linked into Cabcharge. I think we need to encourage more competition and more companies. I would like it to be universally accepted so that, if I happened to be in another State and I want to use a wheelchair accessible taxi, I can do that without having to apply for other entitlements. By the way, this file is what it takes to actually get national reciprocity. This is the unfortunate by-product of federalism. That is the only reason I brought that. I think you all need to know the background of the difficulties in just doing a simple reform like getting national reciprocity in the system. Equally, the next challenge will be getting an electronic card.

CHAIR: Mr Johnston, thank you very much for attending today. The information you have provided today has been most helpful. I should indicate that the Committee has resolved that if any of the answers to questions are taken on notice, they should be returned within 21 days. Members may, through the secretariat, forward some questions to you on notice, and likewise the response to those will be required within 21 days. The secretariat will contact you in relation to questions you have taken on notice. Thank you very much for your attendance today.

Mr JOHNSTON: Thank you, Mr Chairman.

(The witness withdrew)

(Short adjournment)

LAWRENCE EDWARD STEWART, Director, Southern Highlands Taxi Service,
, sworn and examined:

CHAIR: Would you like to make a short opening statement either to extend your submission or to provide additional information? It is not necessary to go over your submission as it has been read by the members.

Mr STEWART: First I would like to thank you for the invitation to respond to your inquiry into the New South Wales taxi industry. I hope you have had an opportunity to read my submission. While I have endeavoured to answer the majority of the terms of reference, you might note that in particular I deal with the deregulation of the hire car industry and of the local operator's blatant and continuing breaches of regulations—or the lack of, over almost 4 years of enforcement—and the fact that this is causing the progressive destruction of what is probably the best taxi operation in New South Wales.

Simply put, if a hire car operator, with its very low cost of operation, is operated as a taxi business, it creates a position where a genuine taxi company just cannot compete. For example, the low cost of licensing is \$3,000 a year for a hire car versus the purchase price of approximately \$250,000 a year for a taxi licence; in relation to vehicles, a hire car operator can run a second-hand Falcon with no time limit, and so can pick it up for \$8,000 to \$10,000, and that is all the investment is; in relation to third party insurance, the hire car costs approximately \$350 a year compared to a taxi's \$3,200 a year; there are no cameras in hire cars, but 16 months ago we installed cameras at the cost of some \$50,000; and there are no six monthly inspections.

Over 10 years we have built up what was probably the State's worst taxi business into what I believe is the best. In over 1.5 million jobs in those 10 years, we have had one complaint—one only—to the Ministry of Transport. If the Government believes in providing good transport services for the public in New South Wales, then we should be allowed to survive by its ensuring compliance and creating a level playing field in this industry. Our other major concern is that of community transport. Again, it is not a level playing field. We are seeing it grow, and they are working hard at taking away established taxi business.

The Hon. TREVOR KHAN: Am I take to it from what is in your submission that the business that you describe is one in which you have acquired 21 taxi plates? Am I right in saying that?

Mr STEWART: It was 18 originally.

The Hon. TREVOR KHAN: Sure.

Mr STEWART: That is right.

The Hon. TREVOR KHAN: We have heard evidence about owner-operators and the like. You are a plate owner with 21 plates.

Mr STEWART: That is correct.

The Hon. TREVOR KHAN: In that sense, you are not only the owner but also the operator in that you manage the operation of that fleet.

Mr STEWART: That is absolutely correct, yes.

The Hon. TREVOR KHAN: You employ drivers, do you?

Mr STEWART: We do not employ drivers. The drivers are under a bailment agreement. They pay us a fee to lease the taxis.

The Hon. TREVOR KHAN: What is the nature of that agreement with the driver?

Mr STEWART: Unlike Sydney metropolitan, where drivers pay a specific lease fee for each shift, we operate in the countryside of New South Wales in a manner very similar to all other country operators. They pay a percentage of their fare box. In other words, they keep for themselves a percentage of the amount of fees they

collect and they pay a percentage to us for leasing the vehicle. In that way, if it is a pretty ordinary shift, we both share in that ordinary trading. If it is really good shift, we both do better.

The Hon. TREVOR KHAN: I am not being critical of your arrangement. I am just trying to understand how you do it.

Mr STEWART: Exactly.

The Hon. TREVOR KHAN: In terms of those drivers or bailees, do you have any contact with any employee organisation, trade union, or the like, in the context of representing those people?

Mr STEWART: No.

The Hon. TREVOR KHAN: Have you ever come across a representative from the Transport Workers Union demanding to look at your books, or the like?

Mr STEWART: No.

The Hon. TREVOR KHAN: Have you ever been contacted by a New South Wales or Australian taxidrivers association or a Callithumpian society?

Mr STEWART: No.

The Hon. TREVOR KHAN: None?

Mr STEWART: No.

The Hon. TREVOR KHAN: So your relationship is directly with those drivers?

Mr STEWART: And it is a very good relationship.

The Hon. TREVOR KHAN: I am not suggesting otherwise. We have been trying to get a feel for who is doing what. Are you a member of a radio network?

Mr STEWART: No. We are the network.

The Hon. TREVOR KHAN: When you acquired this business, did you acquire the network as well?

Mr STEWART: Yes, we did. I could just elaborate on that. The previous owner, over the previous 15-odd years, had amalgamated three very small businesses within the Southern Highlands into one larger business. But it was very, very ordinary, to say the least. It had a very poor image. Cars were not clean. In fact, it offered a very poor standard of service. When we saw it for sale, we thought it was a good opportunity because, clearly, with good management and good, clean presentation of vehicles, drivers, et cetera, and providing the right level of service, it had to do well—and it did.

The Hon. TREVOR KHAN: Please do not take anything I say as critical of you, but if a new taxi operator were to come into the Southern Highlands region—I withdraw that. I will deal with another question. I take it that all the plates of the taxis in your area are designated as Southern Highlands taxi plates. Is that right?

Mr STEWART: That is correct, yes.

The Hon. TREVOR KHAN: What area does that allow those plates to pick up from?

Mr STEWART: They are specific for the Wingecarribee shire, which is the Southern Highlands of New South Wales.

The Hon. TREVOR KHAN: Of course, you can pick up a fare and take it to Sydney airport, for instance?

Mr STEWART: Yes, and we can pick up out of our area and bring it back into our area. But what we cannot do is pick up and drop off out of the Southern Highlands.

The Hon. TREVOR KHAN: How would you collect out of your area and pick up out of your area?

Mr STEWART: How would we collect?

The Hon. TREVOR KHAN: Yes.

Mr STEWART: Simply by booking. We do a lot of that, out of Sydney airport in particular, for Southern Highlands residents. We offer a very special fare to Sydney airport. I think it is probably close to half the fare of Sydney-operated cars, and we do it for our customers. They will book a taxi to meet a specific flight, and we do just that.

The Hon. TREVOR KHAN: Let me now go on to the question that I began to ask but did not finish. If a person were to acquire, through the Ministry of Transport, an additional plate for the Southern Highlands area, how would they operate in terms of the network?

Mr STEWART: They could always start their own network, I am sure.

The Hon. TREVOR KHAN: It would be a network of one.

Mr STEWART: Let me say that our problem exists currently with a network of three hire cars. Those hire cars have sign-writing all over them. I would not be complaining if they were paying the same prices to operate as I do as a taxi operator, but it is not a level playing field. They have clearly taken a lot of business from us. Our business today is marginal as a result of that.

The Hon. TREVOR KHAN: I will get onto that issue. You have a concern with regards to compliance officers, or, parenthetically, the lack thereof.

Mr STEWART: Yes.

The Hon. TREVOR KHAN: Is that the case?

Mr STEWART: Yes.

The Hon. TREVOR KHAN: Have you had any exposure to compliance officers coming into the Southern Highlands and checking your vehicles?

Mr STEWART: Certainly.

The Hon. TREVOR KHAN: How often, in the time that you have owned?

Mr STEWART: It would have to be once or twice a year, if not more, whether it was simply a check on the vehicles or on the rates. You have to remember that at Goulburn there was, or still is, the police training academy. The compliance office would often give a lecture to the police down there, so we were a very easy place at which to stop and check taxis. That happened quite regularly.

The Hon. TREVOR KHAN: They would have a cup of tea and make a check on the way.

Mr STEWART: That is right.

CHAIR: I understand there are 21 cabs now in your fleet, if I may use that expression.

Mr STEWART: Yes.

CHAIR: Are there any other owner-operators of cabs within your area who in fact use your network at the moment?

Mr STEWART: No, there are not. If I can explain: Going back a number of years ago, probably about five or six years ago, we sold a plate or a licence. I thought I might progressively run the licences down and we would just operate the network. We ran into extreme difficulties. What we found was that once a person owned the vehicle, they clearly would not take any instructions from us whatsoever in terms of complying with our customer service policies. We started to have problems—and serious problems at that. In wanting to maintain that high service standard, we found the only thing we could do was to buy it back; and we did, but at a significant margin over what we sold it for.

The Hon. TREVOR KHAN: Do you have EFTPOS machines, if that is the correct terminology?

Mr STEWART: Yes, we do.

The Hon. TREVOR KHAN: By whom are they supplied?

Mr STEWART: Currently by Cabcharge.

The Hon. TREVOR KHAN: You say currently. Is there is an issue?

Mr STEWART: No, there is not. Let me say that up until probably 12 months ago we did not have EFTPOS machines in the cars. Everything was processed by way of a sliding arrangement and then processed through our own EFTPOS machine back at our offices. But in the past 12 months we have noticed a growing increase in bad credit cards. Consequently, we found that it was necessary to protect the driver's revenue and our own, that we had to go with someone. Now at the time 12 months ago the only one available, as I understood it, was Cabcharge. The arrangement we have with them—we have our own meters, not their meters. We have their machines which they have provided and everything is now processed through them.

The Hon. TREVOR KHAN: Did you look at the rate that was being charged for the operation of that facility?

Mr STEWART: Yes, I did.

The Hon. TREVOR KHAN: At least on the evidence the committee has received—I am not sure how long you have been here today—it would seem that it is 10 per cent.

Mr STEWART: That is correct.

The Hon. TREVOR KHAN: And that is not only on the Cabcharge voucher operation but also on each card transaction. Is that the case?

Mr STEWART: That is correct, yes.

The Hon. TREVOR KHAN: You were in a quite successful business for some years. Have you experienced a rate of 10 per cent on a card transaction before?

Mr STEWART: It appears high but can I just say this, I have not had any complaints. I swear to that. There has not been any complaint. In fact, the incredibly large number of corporations, including government departments, who use Cabcharge are prepared to pay that 10 per cent is something that surprised me. It seems to be very acceptable.

The Hon. TREVOR KHAN: But it does not only apply to Cabcharge transactions but it includes the mum and dads who use a debit card in a machine. Is that not right?

Mr STEWART: I agree.

The Hon. TREVOR KHAN: The evidence before this committee is that there are some 60 million taxi trips per year in New South Wales. What is an average fare in your area? In a wider sense, what would you take to be an average fare in Sydney taxi transaction?

Mr STEWART: In our area it would probably be \$20 but in Sydney it may well be more.

The Hon. TREVOR KHAN: Thirty or \$40 perhaps?

Mr STEWART: It could well be.

The Hon. TREVOR KHAN: If you take that between one-third and a half of those transactions may well be card based transactions—would that be reasonable?

Mr STEWART: Could well be.

The Hon. TREVOR KHAN: That could make between 20 and 30 million card transactions. Is that right?

Mr STEWART: Possibly.

The Hon. TREVOR KHAN: At, say, \$30 a fare. If I maths are correct, it would equate to something in the order of \$90 million worth of fees going to Cabcharge each year, which is an extraordinary amount of money?

Mr STEWART: I am aware the company is profitable.

The Hon. TREVOR KHAN: One would think so at that rate, would you not?

Mr STEWART: There is obviously also a risk there as well with certain of the cards. They also guarantee payment. It is their job to collect the payments from the other side. Certainly I know from our end, with us processing through them, we get our money, and that is paid within 24 hours, I think, into our bank account.

The Hon. TREVOR KHAN: When you operated a business the fee that was being charged by the banks for you to receive payment was somewhere in the order of 1 to 2 per cent, was it not?

Mr STEWART: That is correct.

The Hon. TREVOR KHAN: That is, the fee that is being charged by Cabcharge is probably in excess of five times what is the generally applicable fee for the service fee on a card?

Mr STEWART: You are quite right but it seems to be very accepted by government departments and large corporations and by the number of people who do use Cabcharge on a very regular daily basis, and that has surprised me.

Ms LEE RHIANNON: Will you explain the relationship of your company with Cabcharge?

Mr STEWART: Nothing more than they are a service provider to us. I have no shares in the company and I have no interest. In fact, I do not think I have ever met any of the people who operate or work in the company.

Ms LEE RHIANNON: What is your relationship with the Taxi Council?

Mr STEWART: I am not a member.

Ms LEE RHIANNON: Do you choose not to be a member for any particular reason?

Mr STEWART: I choose not to be a member because I disagree with the idea of having to pay membership for each vehicle, or each licence we have, but only have one vote. It did not seem equitable.

Ms LEE RHIANNON: If that issue in relation to voting changed, would you join?

Mr STEWART: I think I would, yes.

Ms LEE RHIANNON: Are you aware that people in a similar situation to yourself—in the main I refer to taxi owners in regional areas—would have made a similar decision to not join the Taxi Council?

Mr STEWART: Possibly. We do not have a lot to do with the industry per se.

Ms LEE RHIANNON: Is your only competition the three hire cars?

Mr STEWART: And community transport these days. Again, with regulations not of a similar standard to ours, and low cost of operation, I am concerned that they appear to be poaching from normal sources.

Ms LEE RHIANNON: By "community transport" are you referring to services that councils or the non-government sector runs?

Mr STEWART: The councils provide the vehicles for community transport.

Ms LEE RHIANNON: So do various community organisations?

Mr STEWART: Yes, that is right. They enjoy government grants, both very much from a State point of view, as I understand it. These days they are very aggressive, even tendering with our buses to our local schools to carry children to and from sports days, and this sort of thing. They seem to be going far beyond their normal charter.

Ms LEE RHIANNON: In your submission you say that a partnership between the community transport sector and taxi services would be a positive move. Would you explain how that partnership could work and its benefits?

Mr STEWART: When I look at, in particular, a lot of the smaller organisations operating in our area—I am talking more so with regard to wheelchair accessible vehicles—in recent years there has been quite a large number provided via government assistance to these organisations. Some of them travel incredibly low kilometres. By way of example, recently we purchased a second-hand wheelchair accessible Toyota commuter vehicle. It was four years old, in beautiful condition, and had done 40,000 kilometres—an average of 10,000 per year. It was owned by a community transport operation in the Newcastle area. My maths says that cannot work. If you are only going to run a vehicle for that amount of kilometres it cannot possibly pay as compared to using a taxi service. A taxi service—the total cost of that—must be significantly cheaper than the cost of purchasing, the cost of money for that vehicle, the cost of servicing, registration, insurance and all those other costs. Unless you are doing significant kilometres in a vehicle it just does not work. That is my argument.

The other point is community transport appears to only operate a 9.00 a.m. to 5.00 p.m. business, Monday to Saturday. Taxis are out there seven nights a week. I am sure the taxi industry around this State would come up with a discounted rate for community transport clients and could save a significant amount of money as compared to these capital costs with vehicles and all of the other ongoing costs that exist.

Ms LEE RHIANNON: In relation to the WAT scheme, you state that WAT work generally has decreased, particularly over the last 12 months. I was surprised to read that. I would have thought in the Southern Highlands it would probably have expanded. Will you outline the reasons for the decline and the impact on your fleet. Have you any insight into why?

Mr STEWART: Very definitely the cause has been the increase in the number of vehicles provided to small organisations throughout the Southern Highlands. We built our wheelchair accessible fleet up to five vehicles, which is a very high percentage of our total fleet. I know we have been providing an outstanding service to all of the wheelchair clients in our area. But over the past 2 or 3 years the rate of provision of free vehicles—which they are in the majority of cases—to these organisations where they might only do one or trips a day has grown enormously.

A perfect example is Tangara School, a school for the disabled, which recently with government assistance and donations was able to get another wheelchair accessible vehicle. I know the principal very well; he is a lovely guy. He said to me, "Look I will have to go to the department of education and ask them to give me a couple of your wheelchair runs that you do in your taxis because I have got to try to make this viable." So all of a sudden that was less work we were doing with our wheelchair accessible taxis. Yes, because of that competition as it exists today we just do not have the work. We are now assessing, and we will certainly in the very near future be dropping at least one of those vehicles from the fleet, otherwise it is just not viable.

Ms LEE RHIANNON: Do you attribute that to a lack of planning within government?

Mr STEWART: Yes, I do. The generosity by way of the provision of capital funds for the purchase of these vehicles is admirable but again I come back to the point that unless they are doing a high number of kilometres they will never be justified.

Ms LEE RHIANNON: Your job is to make a profit for your company, which I understand.

Mr STEWART: Absolutely.

Ms LEE RHIANNON: The community has certain needs for people to have access, considering very often they do not have much money, but stepping aside from your job to make a profit for your company, but as a citizen from the Southern Highlands are they more likely to get the services through the community sector because of the cost to your own company?

Mr STEWART: I am quite convinced when one looks at the total cost of ownership and operation of one of these vehicles—these days new wheelchair accessible the Toyota commuter type vehicles are approximately \$70,000 to \$80,000 each—it is a lot of money to invest in a vehicle unless you are doing serious kilometres. For the very short amount of work that these organisations are doing with them, I am convinced that the taxi industry could offer fares which would probably equate to a quarter of the costs that they are currently experiencing.

Ms LEE RHIANNON: Are you saying it would cost the Government and users less because your vehicles can do the disability run as well as regular runs?

Mr STEWART: Yes, absolutely. To make a taxi business work you must be utilising your vehicles. Utilisation is the name of the game. When we built our fleet up to five we rarely had a wheelchair client waiting any more than five or 10 minutes. The service we gave was tremendous. Today we have generally got two of them sitting in our workshop all day: there is just not the work any more.

The Hon. PENNY SHARPE: What type of vehicles are your wheelchair accessible taxis?

Mr STEWART: We are about to retire a Ford Falcon Flash Cab.

The Hon. TREVOR KHAN: That is understandable.

The Hon. PENNY SHARPE: To be clear, that is the station wagon?

Mr STEWART: With the bubble on the back, as you would call it, yes. Amazingly a lot of wheelchair people prefer to travel in it because it is more of a car to them than a commercial type vehicle. But the vehicle which is certainly most suitable in my mind is a Toyota Commuter, the current series Toyota Commuter in particular. It has a wider body. There is plenty of room for the operator to move around the chair and secure it. There are available to carry two wheelchairs at the one time and they are a very reliable and safe vehicle. We have three of those. We also have a Mercedes Benz Sprinter, which was one of the ex-Olympics vehicles, and it has been reasonably good, but a very expensive vehicle to maintain.

The Hon. PENNY SHARPE: I am interested in your comments about the intersection between community transport and taxi operators. I have previously met with government funds regional transport coordinators around the State, and I am not sure that they reach out to Southern Highlands, but I am wondering if you have ever been involved in joint planning between local community transport providers and taxicabs? I have seen many circumstances where they are working extremely well, and it is the exact issue that you point to, which is maximising the work for everyone. They are operating particularly well in regional areas. Have you participated in any of those?

Mr STEWART: It does not happen in our area. I do not know why.

The Hon. PENNY SHARPE: It sounds like it should.

Mr STEWART: It should and it could, I have no doubt about it.

The Hon. PENNY SHARPE: You say you are not a member of the taxi council. Are there other industry associations that your network joins?

Mr STEWART: We are a member of the Motor Traders' Association because we also have a large workshop for the maintaining of our fleet and we also have a retail customer base.

The Hon. PENNY SHARPE: You are not a member of the Country Taxi Operators Association either?

Mr STEWART: No, we are not. We were very early in the piece and then it just did not seem right and I said, "Look, adjust it and I will come back."

The Hon. PENNY SHARPE: You also said you operate your own meters. Do your meters have the technology to incorporate tolls and those types of things on the screen for your customers?

Mr STEWART: Yes, we operate Martins Meters, which is a Victorian-based company, and they have been very good. The current meters we have had for probably only about 18 months and, yes, they are all-inclusive.

The Hon. PENNY SHARPE: So they can integrate e-tag as well?

Mr STEWART: No, they do not integrate e-tag.

CHAIR: How do they integrate the toll? Does the driver manually put it in?

Mr STEWART: Yes.

CHAIR: It does not show automatically?

The Hon. PENNY SHARPE: I wondered if there was a beep and it went on to the meter.

Mr STEWART: No, but can I add this: You will find most country operators do what we do, that is, it is not a metered fare, it is a quoted fare when we are running from Bowral to Sydney.

The Hon. PENNY SHARPE: For large fares?

Mr STEWART: If it was a metered fare it would be impossible for the client to afford I think, so quoted fares are a lot less, and that works well.

The Hon. GREG DONNELLY: One of the questions drafted for us to raise with you relates to the issue of performance standards. Several of the submissions that we have received highlight that, whilst network standards to assess the performance of metropolitan taxi services exist, no such specific standards exist for rural taxi services in this State. Do you think that network standards for rural areas would be beneficial in New South Wales?

Mr STEWART: Yes, I think they would. I cannot see any problem with it not being that way. Mind you, I think there is also good argument that, without them, if you do not provide the right sort of standard, you are certainly going to have customers complaining, and the complaining is really the ultimate judging, I suppose, of performance standards. It is interesting that in our area we have spoilt our customers over the years and if they have to wait more than 10 minutes from the time they telephone they get annoyed. I know in Sydney it can be a lot longer, and we find that. People who come down from Sydney and stay in a hotel or motel will ring for a taxi and when we arrive they say, "You shouldn't be here—it normally takes half an hour or an hour." It is a different situation. I think you will find right across country New South Wales the service provision is of a very high standard.

The Hon. GREG DONNELLY: In terms of standards, obviously the wait time is a key one that people reflect on, but could you give us your overview of the range of standards you would apply as the benchmark that you are reaching best practice?

Mr STEWART: In the first instance, every vehicle is washed and cleaned thoroughly before every shift. That is a very expensive thing to provide. I do not expect our drivers to do it because I expect them to be in uniform—and they are. Our drivers dress very well and many of them choose to wear a tie, which is great. We have customer service policies where we insist that they do get out of the car, that they help ladies and the aged into the vehicle, that they do help them with seatbelts and that they help them with their parcels or luggage to the front door of their house. That is the way we operate. It is a different sort of operation.

The Hon. GREG DONNELLY: Elaborating further on what you have just described, is that incorporated in a training program that you have for your drivers?

Mr STEWART: Yes, it is.

The Hon. GREG DONNELLY: With respect to that training program, is it a one-off thing for new drivers or is it something that is provided to drivers on an ongoing basis?

Mr STEWART: It is provided at the very outset and we choose our drivers relative to what we believe their personality is and their ability to carry out that type of work for us. We are looking for someone who has more than just the ability to drive a vehicle. This is customer service—that is what we are selling—and looking after people, so right up front, yes, there is a training program. There is a document we provide which we insist they study thoroughly. They are tested on that and then ongoing we are talking to them and our dispatch system has an ability for messages and every day we will put messages out on the screen, reminders to do this and to do that, and so forth. I think we have a pretty sharp type of operation in terms of customer service.

The Hon. GREG DONNELLY: With respect to the number of wheelchair accessible taxis you have, there are four in your fleet?

Mr STEWART: Five currently.

The Hon. GREG DONNELLY: As a ratio to your total fleet, do you find that that is a satisfactory number? Notwithstanding comments in your submission about the downturn, perhaps reflecting back to when trade was better, was it able to meet needs in terms of waiting time such that it was comparable to people who did not need wheelchair access taxis?

Mr STEWART: Once we got to the ratio of close to 25 per cent of our fleet we found that there was very little waiting time at all for those in wheelchairs, and that is what we were trying to achieve. It was very good. I would hazard a guess that our area has seen an increase in people in wheelchairs. I would love to be able to get the statistics because when we bought this business 10 years ago there was nothing available to tell us the number of wheelchair people in that particular area and perhaps there is today, but I would hazard a guess that we have a higher ratio of wheelchair people than in a lot of other areas. The reason I suggest this is that there is a high level of retirement villages and there are very good health services there with public and private hospitals and I think all of that encourages retirees and others who are in wheelchairs.

The Hon. GREG DONNELLY: With respect to your fleet and the dedicated number of wheelchair accessible taxis, with respect to the drivers of those taxis, did you explicitly have in mind particular, shall we say, attitudes, values or dispositions that you were looking for when you recruited for those taxis, or are drivers within your general fleet working in those taxis as well?

Mr STEWART: What we do as a rule of thumb, after we have a driver with us for a period of time, if he shows tendencies or characteristics that would be suitable to wheelchair work then we encourage him to do the wheelchair accessible taxi driver course. Those people have to be, first, very physically fit, because they are on their knees and so forth and strapping the chair in, but they also have to have very much—

The Hon. GREG DONNELLY: Patience?

Mr STEWART: And the right attitude, caring for people. They really have to care the most. I believe we have good people doing that work.

The Hon. PENNY SHARPE: How do you recruit? You said you have good drivers. Do you have trouble recruiting?

Mr STEWART: We are regularly advertising. It is an interesting business. Probably 80 per cent are long-termers and I would consider them as career drivers. There would probably be 20 per cent who are interim, they are moving from one career path to another, and this is filling a slot for them at this particular time. Often those people—it is interesting—will enjoy what they are doing, it is taking them away from the pressure of other types of businesses, and they will end up staying with us, but there is always that slight turnover—and that is the nature of the business, it really is.

The Hon. PENNY SHARPE: In your experience the 80-20 split in terms of 80 long-termers would be quite different from the Sydney experience?

Mr STEWART: I do not know, I could not comment on that.

CHAIR: Moving to insurance, if one of your drivers has an accident, who is responsible for paying the excess and secondly will you always, in those circumstances, lodge a claim for insurance?

Mr STEWART: Yes. We have all of our vehicles insured for third party compulsory insurance and also for third party property insurance. We self-insure when it comes to the comprehensive side of the issue. We do have an excess for drivers should it be their fault. This was introduced some years ago and the excess will run up to \$500. The reason it is there is simply because it is the hip-pocket nerve which conditions them to drive safely and sensibly, and that is the most important thing that we want to achieve. Accidents are very few and far between as a result of our drivers' negligence—very few—and in fact it has probably been a couple of years since we have had one of that nature. They take care, and that is what we all want. I found before that, when we were picking up the excess all along, there was an attitude of, "Well, it doesn't matter", and we were having far more accidents of a serious and not so serious nature, but it would put cars off the road, and it would reflect badly on the business.

CHAIR: We have heard of a lot of drivers complaining—and this is in relation to the city—that especially in wheelchair accessible vehicles they have to stop to let the passenger out or assist the passenger, and there are no-stopping signs and things of that nature and they are being penalised, so there is no incentive for them to help the passenger or look after the passenger. Do you have problems in your area or are the authorities there a little bit more understanding?

Mr STEWART: I believe they are more understanding. We are still a big country town and everyone gets to know everyone. I do recall a short time ago there were a couple of new police officers in town who were throwing their weight around a little bit, but it did not take long before they realised that that was not in the spirit of doing the right thing by these people. I think everyone does understand that if it is a wheelchair patient they must have assistance. You cannot just leave them sitting out there. It would be good if that message could get through here in Sydney.

The Hon. TREVOR KHAN: Are you required by the department to report performance standards?

Mr STEWART: No.

The Hon. TREVOR KHAN: Even though you are operating a network?

Mr STEWART: Yes.

The Hon. TREVOR KHAN: You are not required, for instance, to report response times, the time between taking the call and—

Mr STEWART: We have it all there. We are very computer orientated today. We operate a system that is very popular in country areas, known as SmartMove, which is a computer-based system.

The Hon. TREVOR KHAN: A recognised taxi industry system?

Mr STEWART: It is very good. At the touch of a button, that can print out every report that may be required.

The Hon. TREVOR KHAN: The compliance officers when they are going through on their way to Goulburn do not say—?

Mr STEWART: We have never had a visit, not to the business. They will visit the taxi ranks, but they will not visit the business. It is something I have mentioned in the report to you. I see it as being a partnership: we are in partnership with the Ministry of Transport, or Transport and Infrastructure as it is today. We are providing a service. There should be good communication. I would dearly love to have an executive of Transport and Infrastructure call on us every so often to talk about our problems and to talk about their problems. We should be working together. I have never had a visit in 10 years.

The Hon. TREVOR KHAN: With regard to your WAT licences, we are told that the new licences are \$1,000 a year and renewable by review as to the appropriateness of having that licence. Do you have to fill in a form each year that sets out what is going on?

Mr STEWART: Yes, indeed.

The Hon. TREVOR KHAN: Have you had any queries from the department with regard to the level of usage of those WAT licences?

Mr STEWART: Absolutely. I have to say, they are very strict on that—I have noticed in the last 12 months, far more so than any previous period. They want absolute evidence that each vehicle is carrying the rightful number of wheelchair-accessible passengers. They are looking for hard evidence on that, which is good.

The Hon. TREVOR KHAN: With regard to making an application for a WAT licence, is that done at any time of the year or is there some tendering process at the start of the year, for instance?

Mr STEWART: At any time at all. If you have a need for an extra vehicle, my experience is that all you have to do is make application, with the necessary evidence to support that application.

The Hon. TREVOR KHAN: That is, a business plan and the like, is that right?

Mr STEWART: That is correct.

The Hon. TREVOR KHAN: What is that business plan or evidence that is required?

Mr STEWART: What they want to know is where are the wheelchair patients. Where they are coming from is that they want to make sure this is not just an additional licence for normal, everyday people. And that is very sensible.

The Hon. TREVOR KHAN: How complex is that form?

Mr STEWART: The last one I completed, I recall that it was quite involved. I had to provide names and addresses, and provide all the evidence of previous WAT jobs, et cetera. Of course, the other thing they are getting today is that as a result of the \$8.47, I think it is, fee they would know exactly the number of people we are carrying, which would make it far easier from their end.

CHAIR: To corroborate what you are saying?

Mr STEWART: Exactly, yes.

The Hon. TREVOR KHAN: I am interested in the complexity of the form and what they are requiring. Some of the evidence we have received suggests that there needs to be an increase in the number of WAT vehicles. There has been a significant increase over a period of time in the number of WAT vehicles. That seems to be predicated on the need for those vehicles. I am wondering therefore why there is a complex form that needs to be filled in, if we are working on the basis that there needs to be an increase in the number of WAT vehicles out there. Does that make sense to you?

Mr STEWART: Yes.

The Hon. TREVOR KHAN: Are we making jobs for public servants, as opposed to actually getting the vehicles on the road?

Mr STEWART: I hear what you say. I think there was an issue in Sydney at one stage where I know there were great concerns about WAT plates being handed out perhaps unnecessarily and those vehicles being used as normal taxicabs.

The Hon. TREVOR KHAN: That is an issue, however, in terms of compliance on the review process at the end of the 12 months, is it not? That is, you have to demonstrate at that point in time that it is being used for other purposes?

Mr STEWART: Mind you, it is always very hard, though. If somebody has bought a fleet of 50 vehicles and put WAT plates on them and the department has agreed to it, it might be very hard, if the evidence is not there, for them to say, "We are going to take those licences back." So I think it is right that they try to justify the need for these licences.

CHAIR: Mr Stewart, thank you very much for your attendance today; the information you have provided assists the Committee enormously. The Committee has resolved that any answers to questions taken on notice are to be returned within 21 days. The secretariat will contact you in relation to any of those questions or any additional questions members may wish to ask you and will be forwarded to you.

(The witness withdrew)

(The Committee adjourned at 4.35 p.m.)

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