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Your submission for this review:

I am submitting an analysis of my taxi co-operatives performance for the year 2023 2024 July to June. Also in my submission is commentary on the state of driver remuneration and the difficulty of attracting people to taxi work due to the inability to produce shifts with decent turnover. The average shift has an average of 21.6 jobs in a 12-hour shift, higher on a Saturday night. An average of \$20.70 per job and an average gross take of \$447.15 this gross is then split 50%/50% with an average PSL of \$28.51. I have attached an EXCEL spread sheet demonstrating the above that also contains comments on the state of regional taxi services.

2023~24 Taxi Viability for Dubbo Radio Cabs Ltd.

8/04/2024

This document has been written by Terry Mullens the chairman of the Dubbo Radio Cabs Ltd Co Operative.

The following information was compiled by me from the turnover records of the Dubbo taxi fleet and outlines the grim reality of the taxi business in Dubbo and would be similar to the other large regional cities of NSW. The smaller townships have an even harder battle to provide a sustainable and profitable business.

Drivers are very difficult to attract to the the work due to the poor remuneration to bailee drivers and owner operators are just as hard to find as since the implementation of the Point to Point act and Regulations that was supposed to improve the business and level the playing field In reality the regional industry has been desimated to the extent that taxi businesses that were trading from \$330,000 up to \$350,000 has resulted in the current market seeing taxi business selling recently for \$70,000 and low as \$40,000. The individuals that have been attracted to these deals are migrants with little capital and poor business knowledge and little interest in the management of the Co-operative (service Provider).

The industry assistance paid to this co-operatives members has done little to provide a respectable financial exit from the industry with those who have left reliasing a capital loss of approximatly \$150,000 to \$200,000.

In order to attract new players with suitable capital and the business knowledge that is needed to manage and grow the co-operatives and the fleets they service, a stable business model has to be developed that can sustain the capital investment thats required and provide the bailee drivers and owner operators a sustainable income competative with other forms of employment in this area of work.

This situation also impacts the provision of WATs services as the capital investment for a new or near new WAT vehicle with the appropriate modifications is difficult and then the operator has the problem of finding drivers due to the poor remuneration prospects.

When the regional transport minister and the IPART organisation are considering these matters they need to seriously consider removing the regulated fare structure and allow the industry to adjust their rates to a market driven business model that provides sustinable capital investment and sustainable income streams for the investor owner and the bailee drivers.

This needs to be done to stabalise the industry and give it a future where individuals interested in the taxi transport industry can confidently invest capital and see their assey grow in value. This is the basic motivation of any individual or group to enter into financialy stable investment oportunities.

Diagram 1.

Average Hours per Shift	12:32:00 PM	This date is from the records of Dubbo Radio Cabs Ltd for the financial year of 2022>23
Total No Jobs for Yr	\$ 213,062.00	
Av No of jobs per shift	\$ 21.60	
Shifts	\$ 9,833.00	I have taken this data from a spreadsheet of the total turnover of Dubbo Taxis for July 2022 to June 2023 that records every shift carried out through the year
Per Lift	\$ 20.71	
Av Gross \$ per Shift	\$ 447.15	
Av Bailment	\$ 223.58	
Av / PSL Collected per Shift	\$ 28.51	
Gross Takings	\$ 4,411,577.00	
Gross Paid in	\$ 4,291,843.60	
Gross PSL Levied	\$ 281,241.00	

How much do you think a Taxi driver should be paid to do their job per annum & per hour???

Regional Drivers Remuneration Based on the Averages taken from the above data

Diagram 2.

Av no of jobs per sh	21.6	Average hours per shift,	12.32
Av \$ per Job	\$ 20.70	Average hourly income	\$ 16.99
Gross Takings	\$ 447.15		
Less PSL	\$ 28.51		
Shift Takings	<u>\$ 418.64</u>		
Bailment	\$ 209.32	50% of Takings	Bailment also represents the owners income when working.
Less GST	<u>\$ 19.03</u>		
Net Bailment B/T	\$ 190.29	Gross \$ per Hr	Av 12.32 Hrs
		per Shift	\$ 15.45 Per Hr
IncomeTax @19%	\$ 36.15	Net \$ per Hour	Av 12.32 Hrs
Net Income A/T	<u>\$ 154.14</u>	per Shift	\$ 12.51 Per Hr
Five shifts /week	60Hrs / wk	\$ 770.70	Net A/T per Wk

Tax paid on this shift total is 14.02 percent.

The above demonstration of regional taxi drivers incomes are based on the present tariff for rank and hail work for taxis & WAT taxis. The above demonstration does not allow for the cost of the taxi vehicle which currently sit **\$ 38,535.23 Per 50 Wks Estimate** for the vehicle and equipment of Meter, EFTPOS, Camera, Radio and livery. Added to this is Registration, Greenslip Insurance, General Insurance, Workers Comp and Point to Point annual Licence fee. The cost of a new vehicle is currently \$ 34,000 plus on road costs and equipment costs.

The above demonstration of regional taxi drivers incomes is based on the present tariff for rank and hail work for taxis & WAT taxis. Wat vehicles only get a lift fee added to this rate for wheelchair work & a passenger loading for maxi fare work.

The above demonstration of driver remuneration is taken from data of the Dubbo Radio Cabs Co-Operative business activity

that is comparable with the regional cities and large town fleets of NSW

The only alternative the industry has is to charge a higher fare rate under the negotiated fare rules for booked work and requires a fare schedule to be set that can be negotiated & quoted on when the passenger books their fare with the dispatch provider.

Again, how much do you think a taxi driver should be paid for their work???

A comparison of other industries that provide passenger transport indicate a massive difference

Sydney casual bus drivers average in NSW is a base of \$28 per hour & the average hourly earnings is \$32.50 per hour.

The minimum wage for entry level drivers is \$58,500 per year

The average bus drivers salary in Australia is \$67,178 per year with the most experience workers earning up to \$83,987 per year.

Truck drivers average salary are in the range of \$65,000 to \$85,000

These examples are similar to many skilled tradesmans salary & can be easily acquired from a quick search online.

Diagram 3.

Retail assistant	\$30.91 per hr
Hospitality	\$29.04 per hr
Health support Lvl 1	\$29.96 per hr
1st Yr Nurse	\$30.72 per hr
Reg Nurse Lvl 1	\$35.66 per hr
Trolley collectors	\$23.00 per hr
Traffic control	\$37.46 per hr

The most practical way is to reverse calculate the comparable salaries of other industries & arrive at a taxi fare schedule
 The starting point should be the same average income as the bus drivers award of \$67,178 per annum or \$32.50 per hour.

Diagram 4.

Av no of jobs per shift		21.59			Average hours per shift,	12.32		
Av \$ per Job	\$	37.05			Average hourly income	\$	31.31	
Gross Takings	\$	800.00	per shift					
Less PSL		28.4988						
Shift Takings	<u>\$</u>	<u>771.50</u>						
Bailment	\$	385.75	50% of Takings	Bailment also represents the owners income when working.				
Less GST	<u>\$</u>	<u>35.07</u>						
Net Bailment B/T	\$	350.68				Gross \$ per Hr	Hrs per Shift	\$ 31.31 Per Hr
IncomeTax @19%	\$	66.63						
Net Income A/T	<u>\$</u>	<u>284.05</u>				Net \$ per Hour	Hrs per Shift	\$ 23.06 Per Hr
5 shifts /week @		61.6 H / wk	\$ 1,420.26	Net A/T per Wk				
			\$ 71,013.18	Per 50 Wks/y		Estimate		

At **\$37.04** per Job the present average Job of **\$21.80** will need to increase by **42** percent to provide a comparable income.

So the question is how does the NSW Government manage this issue that has taxi drivers working for sweat shop earnings & was brought about by years of regulated fare structures that did not allow the industry to keep pace with the modern economy.

The current situation with the Taxi industry is that it is controlled by a poorly designed industry model that has rank & hail fares regulated to an outdated consumer price protection model attempting to provide cheap taxi fares to people whose incomes are geared to public transport, Trains and Busses that are few & in some cases non-existent in regional towns & cities..

Taxis operating in regional centers operate on Tariff one and rarely go above that as Tariff 2 doesn't start until you pass the 14 kilometre distance. Most rank and hail fares are only two to five kilometres long with the total trip out & back as much as six to fifteen . kilometers in some instances as are the booked fare business. Dead running averages two thirds of the total job distance. That is out to the pickup then travel the fare distance and then back to a standing point or travel across to the next pickup and so on.

Taxis do have the option of operating with two meters one for rank & hail and one for booked fare business where they are obliged to provide a fare estimate for each trip. However this creates confusion with passengers as their trip down town is a booked fare and their trip home from a rank is a regulated fare. They object to the difference.

The issue of complying with the need for the service provider and the taxi operator having to provide a fare estimate for a booked service is an impractical mess. Approximately ninety percent of regional taxi work is on booked fares and increasing with the use of booking apps.

Half of these booked fares have no stated destination so it is impossible for the call center taking the booking to estimate the cost of the fare as the passenger may be not fully knowledgeable of the destination address. There needs to be one unregulated metre with a suitable tariff set that meets the capital and labour costs of operating a viable taxi business.

The regulation of rank and hail tariffs needs to be discarded and let the taxi industry adjust their fares according to the cost of providing the service allowing the people in the industry to be justly remunerated for their work competitively.

It is unfortunate that some people will not be able to afford to ride in a Taxi service however it is also unjustified to force people to work for less than the minimum wage on extended work hours with no superannuation provision just so the government of the day can say that they have provided low public transport costs to the pension and welfare community.

The government of the day should be providing mass transport solutions to people who cannot afford taxi services, that are funded to support the investment and labour costs of providing the service. I don't know how this situation can be rectified in the short term and it is the single biggest problem the taxi industry and government has at this time.

When considering the cost of wheelchair authorised taxis the operating costs and infrastructure costs can be up to three times the level of a hybrid sedan making it that much harder for investment capital to come to the business. Unfortunately taxi work being one of the lowest forms of remuneration it has become a job of last resort for many people and is the problem when attracting good people to this work. However you have to start somewhere to change for the better otherwise you don't have an industry.

Taxi services will struggle and even now the Co-Operatives cannot get enough people interested to manage the administration duties and serve on the Co Operative boards for little or no reward. The co-operative's have restricted ability to meet the extra costs of providing sufficient administration staff to cover the added workloads and have to rely on directors to fill in where they can interrupting their workday.

The small Co-Operatives are handicapped by not having enough members with mature business experience that is required to manage the complex array of legislation and regulations that demand a prescriptive level of record and safety management compliance and the prospect of expanding the number of member operators into the fleets is restricted by viability of the business model. The co-operative's have incurred a loss of senior expertise as these people long overdue for retirement have left the business in many cases with reduced retirement savings due to the dissipation of their taxi asset that was meant for retirement savings.

Diagram 5.

The below is a record of my operating costs for my taxi business TC631 Dubbo fleet.

2023~24 Cost of Business TC631 Toyota Hybrid Camry sedan.

Base Fees	\$	2,320.56		
CTCC Fees	\$	11,481.24		
Registration	\$	879.00		
Greenslip	\$	3,749.00		
General Insurar	\$	3,810.87		
Workcover Ins	\$	1,209.84		
Point 2 Point	\$	201.00	\$	23,651.51
<p>These costs are for a Taxi completing six double shifts per week with two shifts by a bailee driver and four shifts by the owner / operator.</p> <p>These costs would run to around \$65,000 to \$85,000 per year estimate if the business is operated on a full time basis with morning and afternoon shifts being completed seven days per week.</p>				
Taxi Fuel	\$	5,830.10		
Taxi Tyres	\$	383.00		
Taxi Service	\$	316.43		
Taxi Maintenance	\$	244.85		
Other Parts	\$	525.17		
Uniforms	\$	266.75	\$	7,566.30
<p>Conversions</p>				
General Busine		369.36	\$	369.36
Total			\$	31,587.17

Cost of vehicle is capital cost of estimated \$34,000 for a six year life plus replacement capital for the next vehicle.
 \$34,000 time two = \$68,000.00 divided by six = \$11,333.00 per year added to the above.