



GM Cabs

Submission to the NSW

IPART

Unbooked Taxi Fare Review 2024

September 2024

Contents

Executive summary	3
Introduction	4
About GM Cabs	4
The approach of other Australian jurisdictions.....	5
The benefits of a healthy taxi industry Environmental factors, Impacts and Benefits.....	5
Utilisation factors	7
Total trips in the sector (all point to point)	8
Utilisation of taxis themselves	8
Demand for rank and hail	8
Competitive landscape.....	9
Costs.....	14
Fare components	15
Tariffs and Tariff Selection	15
Night time rates	15
Distance rates versus time rates	16
There remains a need to find an incentive for wheelchair taxi operators.....	17
Taxi-specific cost patterns	18
A specific one-off cost increase - Mobile data changes	18
City-country harmonisation	19
The value of driver labour - the strongest case for a fare rise	20
Substitutes in the contest for driver labour	20
Additional matters	21
Taxi driver bailment continues to be regulated.	21
Availability of taxis on ranks for the public	22
Survey data	22
Costs Survey	22
Value for money	22

Executive summary

We believe the New South Wales taxi industry is well overdue for a significant taxi fare rise. The current industry and in particular, taxi drivers should not be held to ransom because of actions of previous Governments and changes to licensing structure. The net negative consequences of doing so affect drivers and passengers.

We feel a return to a regular index-based review is the best way of getting the industry both hope and a path into the future. We note that this is the approach taken in most jurisdictions.

Since it has been many years formal review was conducted by IPART, this submission also draws the Tribunal's attention to :

- The public benefits of a healthy taxi industry
- New competitive factors since the last review
- Factors around the utilisation of taxis
- Impacts on taxi drivers of years without fare rises
- An increase in costs faced by the taxi industry generally
- misunderstood inferences from survey comments on value for money

We address some of the questions the Tribunal posed in its discussion paper and urge the Tribunal to Consider the position of a driver who started the day after deregulation – s/he has seen increased competition and no fare rise.

Any determination from the Tribunal as part of this review is unlikely to be implemented for at least nine months! This is in a climate where both the NSW Treasury and RBA are forecasting substantial Inflation even prior to the outcome.

Statement on Monetary Policy – August 2024 RBA

Inflation is likely to exceed 3% over the relevant period.

NSW State Treasury

FY24 fy25

Sydney consumer price index	4¼	3
Wage price index	4	3¾

It is time for a substantial Fare rise for un-booked taxi work.

Introduction

GM Cabs welcomes the commencement of the current IPART review and the opportunity to make a submission. We appreciate IPART's engagement with the industry and look forward to the online public hearing process and a chance to provide feedback on IPART's Draft recommendations later in 2024.

We view the NSW Government's recommencement of the formal review process favourably. In a market where effective substitutes and large competitors have unfettered pricing flexibility, it has been too long since Taxis have seen a fare rise for rank and hail trips. We understand that amid the uncertainty associated with regulatory changes, determining appropriate price increases was difficult, but our costs have risen and rivals - competitors for driver labour have emerged and raised prices. The Taxi industry's "wait and see" holding period has gone on too long.

Whilst we appreciate the Tribunal's provision of an indicative timeframe, we would once again caution that the significant time it takes to complete a review can hamper our ability to accurately forecast conditions that will apply many months in the future when any new Fare Order is implemented. As we have stated previously, we remain disappointed at the requirement to drive our businesses based on regulated prices that are only viewed through our rearview mirror.

About GM Cabs

GM Cabs is an Australian private company. Its roots are entirely in taxis, and its founder has been a stalwart of the Taxi industry for over 30 years. Sydney-based GM Cabs has grown to operate in multiple parts of Australia. Our New South Wales fleet includes over 1200 taxis (badged as GM Cabs and as GM Signature), making it the second-largest taxi entity in the state and the largest wholly Australian participant in the point-to-point transport space in NSW.

GM Cabs is justifiably proud of the services it provides to taxi passengers, vehicle owners (operators) and drivers.

The approach of other Australian jurisdictions.

Other Australian jurisdictions either apply a specific taxi cost index (as has been done previously in New South Wales) or apply a broad measure CPI as determined by the ABS.

Beyond the mechanism used to determine taxi fares; of equal importance is the cadence. We note that Australian workers in general are used to regular determinations of increases by the Fair Work Commission and that most Australians (including taxi patterns in other jurisdictions) expect annual reviews of regulated prices. As part of retaining drivers in the taxi industry, making taxis available for the citizenry, keeping taxis competitive and simply an Australian fare go we urge IPART and the government to review fares at least annually. There are jurisdictions where a certain movement in a particular cost e.g. fuel can trigger an out-of-cycle review, but a regular review cycle will make a world of difference to the taxi industry.

The benefits of a healthy taxi industry Environmental factors, Impacts and Benefits

The taxi industry holds strongly that a healthy taxi industry (and at its core a financial return to drivers that makes it viable) assists with commerce in the State and, more broadly; tourism, entertainment, hospitality, employment, and liveability.

The taxi industry provides work for Australians it moves Australians, and it creates a greater uptake of public transport, making mass transportation viable for so many; consequently, reducing emissions as well as the social costs of road congestion.

In 2024 no review affecting the deployment and utilisation of transport services can be conducted outside the context of environmental impact versus benefits of these services.

GM Cabs prides itself on its approach to environmental responsibility and is proud of achievements such as the provision of electric charging stations at Sydney airport taxi holding day and our Near completely hybrid fleet. As an organisation, we have an overall commitment to reducing our carbon footprint and assisting others to do so.

Increasing the presence and utilisation of taxis reduces the use of private cars.

A typical Rank and Hail journey is a driver travelling from a railway station to a passenger's home provides the ultimate first mile/last solution enabling all the benefits that come from enhanced take-up and utilisation of public transport.

We feel this is in line with the New South Wales government's published public transport strategy.

We welcome a continuation of regulated fares to support this public benefit.

To our knowledge, New Zealand is the only nation OECD without a government-regulated fare structure (there are local city exceptions in some other countries rather than national)

Globally public expectations of a taxi service include:

- That the vehicle is signposted as such to the exclusion of others
- That the driver has passed. Some sort of background check
- That the fare has been regulated or assessed as reasonable by an appropriate authority.

The use cases of taxis vary widely from daily use to highly infrequent use, but the broad spectrum of those who use taxis, including those with disabilities who have no other options for public transport.

Tourists and those with no knowledge of the local market, those in demographics where they are typically no longer able to drive. These are not only sections of the community where protection should be afforded but those who assume it as a right

We note that the New South Wales government has publicly stated its intention to continue with regulated taxi fares and we strongly support this.

Since IPART no longer has the ability to make recommendations in relation to taxi licence supply, and exposure of drivers to competition from appropriate substitutes is broad, we feel that both IPART and the New South Wales government should no longer improperly restrain any price increase in New South Wales taxis as part of a wait and see approach.

Utilisation factors

Utilisation, perhaps best measured as trips per taxi, has fallen since the last review. To summarise:

- Total Point-to-point trip activity has not yet consistently returned to pre-Covid levels. (See discussion below)
- Although the number of taxis is slowly increasing, the number of "shifts" or even days driven by a particular taxi driver or even a given taxi has dropped following the significant industry regulatory changes, from a vehicle often used by two drivers per day to a situation where many drivers only drive the taxi two or three days per week. The majority of taxis now have one operator-driver.



[https://www.pointtopoint.nsw.gov.au/about-commissioner/industry-statistics#Taxi Licences - July 2024](https://www.pointtopoint.nsw.gov.au/about-commissioner/industry-statistics#Taxi_Licences_-_July_2024)

A review of the total number of taxis in New South Wales shows that, unlike other jurisdictions where the removal of quantity restriction led to substantial increases, this has not happened. We note that the above graph (data from point-to-point commission New South Wales) includes wheelchair taxis.

The reasons why there has been no increase, even when the majority of taxis are single-shifted shifted lies in issues of an adequate return, as well as competition.

Total trips in the sector (all point to point)

Levy Collected	FINANCIAL_YEAR							
QUARTER	2018	2019	2020	2021	2022	2023	2024	2025
Jul-Sep		19,717,612	17,751,276	10,202,220	11,543,156	16,150,111	19,537,606	16,379,530
Oct-Dec		12,377,975	18,850,376	12,844,138	8,112,121	17,512,236	22,732,459	
Jan-Mar		24,630,480	20,214,905	14,637,532	13,790,872	17,474,005	23,553,816	
Apr-Jun	14,452,920	17,725,968	12,402,341	14,947,640	15,129,382	17,274,758	23,671,301	
Grand Total	14,452,920	74,452,035	69,218,898	52,631,530	48,575,531	68,411,110	89,495,183	16,379,530

Above is in Dollars as reported at <https://www.revenue.nsw.gov.au/help-centre/resources-library/statistics> retrieved 19 September 2024

Levy Collected	FINANCIAL_YEAR							
QUARTER	2018	2019	2020	2021	2022	2023	2024	2025
Jul-Sep		19,717,612	17,751,276	10,202,220	11,543,156	16,150,111	16,281,339	13,649,608
Oct-Dec		12,377,975	18,850,376	12,844,138	8,112,121	17,512,236	18,943,716	
Jan-Mar		24,630,480	20,214,905	14,637,532	13,790,872	17,474,005	19,628,180	
Apr-Jun	14,452,920	17,725,968	12,402,341	14,947,640	15,129,382	17,274,758	19,726,085	
Grand Total	14,452,920	74,452,035	69,218,898	52,631,530	48,575,531	68,411,110	74,579,319	16,379,530

Above is adjusted to represent **trips**
Levy \$ increased July 2023 by 20%

ⁱData source Revenue New South Wales not separated by taxi versus rideshare

<https://www.revenue.nsw.gov.au/help-centre/resources-library/statistics> on 20 Sep 2024

A review of publicly available data suggests that as of the most recent FY, trips had not returned to pre-COVID levels, and this is for the whole point-to-point sector. When we consider that there has been rapid growth in rideshare over the years above, what is left to taxis, must have been reducing.

Utilisation of taxis themselves

Following the substantial regulatory changes to the NSW taxi industry in recent years, the utilisation of taxis themselves has dropped significantly. Since the cost of ownership (or leasing) of a licence has been reduced to a mere administrative cost; the pressure for a given taxi vehicle to be "on the road" to cover its cost has dropped dramatically. Absent the need for licence investment, more and more drivers operate their own vehicles, and the total number of hours per driver or vehicle is far fewer.

To make matters worse, not only have inflationary and competitive pressures worked on the industry negatively, but there is no suggestion that there will be an increase in trip utilisation any time soon. The post-licence deregulation environment has not resulted in an increase in the total number of trips. As a result, utilisation per taxi is down in the taxi space.

Demand for rank and hail

Measuring demand is difficult, especially for unbooked services – measuring it other than with subjective surveys is tricky. This is particularly so as taxis are also in the booked market.

The times when supply does not meet demand are filled in with overcharged variable-price rideshare services.

Competitive landscape

The competitive landscape has not been easy for the rank and hail market. Those providers of rideshare services which at the time of the legislation were marketed as app-based products have now branched into two areas, both traditionally, seen as demand generators for taxis. These are:

Telephone bookings (to a voice call centre)

An example of this is included in the marketing leaflet shown – Phone your rideshare vehicle. (August 2024)



The image shows a black marketing leaflet with white text. At the top, it says 'Call to request a ride with 13-UBER (13-8237)'. Below that, it says 'A new way to request an Uber ride'. There are three bullet points: 'Call us' with the subtext 'Dial 13 8237 from your mobile 24/7', 'Get trip details' with the subtext 'We'll send your upcoming trip details via text', and 'Meet your driver' with the subtext 'You'll receive a text when your driver arrives'. The Uber logo is at the bottom left.

**Call to request
a ride with
13-UBER (13-8237)**

A new way to request an Uber ride

- **Call us**
Dial 13 8237 from your mobile 24/7
- **Get trip details**
We'll send your upcoming trip details via text
- **Meet your driver**
You'll receive a text when your driver arrives

Uber

As part of trying to achieve growth, and realising some customers are happy with a human or uncomfortable or unable to utilise apps, rideshare companies are moving into the space of traditional taxi and hire car providers.

E Hails and PIN bookings

in this scenario, at a busy location such as an airport a potential passenger walks to a “rank” where either their phone or a concierge staffer, gives them a PIN number representing the “booking” and they get into the next vehicle at that rank. According to the booking companies, these vehicles are *booked* (albeit a few seconds prior to getting into the vehicle on the rank).


See the attached article from Business Traveller September 2024.

The scope and dimensions of competition are far greater than what was envisaged by regulators as recently as the 2017 act or the subsequent 2023 removal of any taxi quantity regulation. The range of substitutes is therefore far greater, but these substitutes do not face some of the revelatory burden imposed on the taxi industry and are allowed infinitely variable pricing.

For all of the competition issues, the taxi industry does not expect to be *always* the lowest-priced option. Given that taxis have regulatory costs not imposed on their competitors, (licensing, insurance, alarms, cameras and more) a race to the bottom is not something that taxis were level with. What taxis bring to the marketplace is certainty, safety and convenience.

Having a vacant taxi at a taxi rank or available on a public street for hire automatically implies a taxi vehicle is there (with a driver) and neither the vehicle nor the driver's labour is being used prior to the hail.

Sydney Airport reveals massive change to Uber pickups

 executivetraveller.com/news/sydney-airport-new-uber-pickup-area

David Flynn

September 18, 2024



Dramatic changes are on the way for Uber pickups at Sydney Airport, with an all-new Uber pickup area outside the T1 international terminal and the introduction of PIN technology to reduce waiting times.

The new system takes effect from **Tuesday September 24, 2024** – here's what you need to know.

Sydney Airport's new Uber pickup areas

Passengers arriving on international flights at T1 will no longer have to cart their luggage all the way to the Priority Pickup area adjacent to the P7 carpark and wait for their Uber driver to arrive.

Instead, there'll now be two dedicated Uber pickup areas right outside the arrivals area – and even closer than the taxi rank – so travellers can walk out of the terminal and hop straight into their Uber ride.

However, it's worth noting these new dedicated Uber pickup areas are outside Arrivals Hall B – used by the likes of Singapore Airlines, Air New Zealand, Qatar Airways and often Emirates – rather than Arrivals Hall A, which is typically home to Qantas, Cathay Pacific and others.

So if your inbound flight sees you arriving at Hall A, you'll need to turn left and walk a few minutes to the new Uber pickup areas.

Other rideshare services such as Didi and GoCatch will remain in the more distant Priority Pickup area, as these new kerbside pickup arrangements are exclusive to Uber.

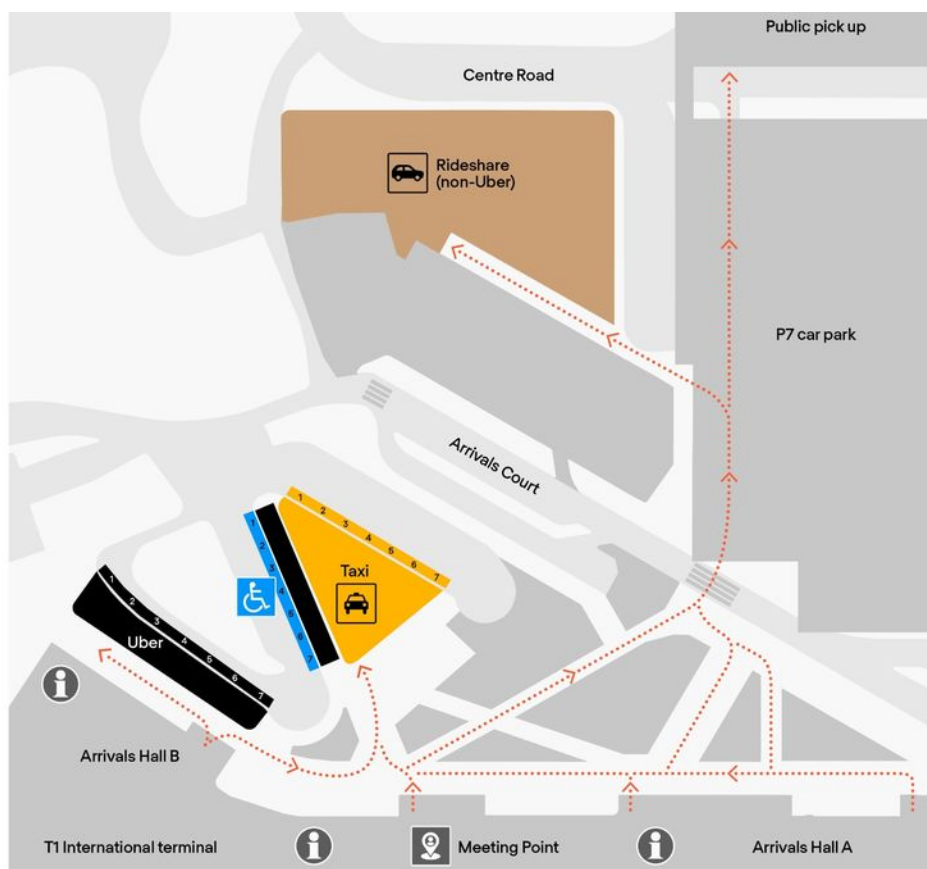
T1

International arrivals

Legend

- Pedestrian path
- Uber
- Taxi
- Rideshare
- Shared/accessible pick up
- Meeting Point
- Information

SYD



The two Uber pickup areas are marked in black and located directly outside the T1 arrivals hall.

Using Uber PIN at Sydney Airport

The Uber pickup area that's directly outside Arrivals Hall B has seven kerbside pickup bays and is reserved for UberX ride requests made using the Uber PIN system.

Already in use at Melbourne Airport as well as major events like the Australian Grand Prix and the Melbourne Cup, Uber PIN slashes the waiting time by letting you step into the first available ride.

There's no more requesting an Uber and watching the car slowly make its way from a nearby suburb to the Priority Pickup area.

Instead, Uber drivers will be waiting in a dedicated Uber holding area next to the airport's taxi holding area.

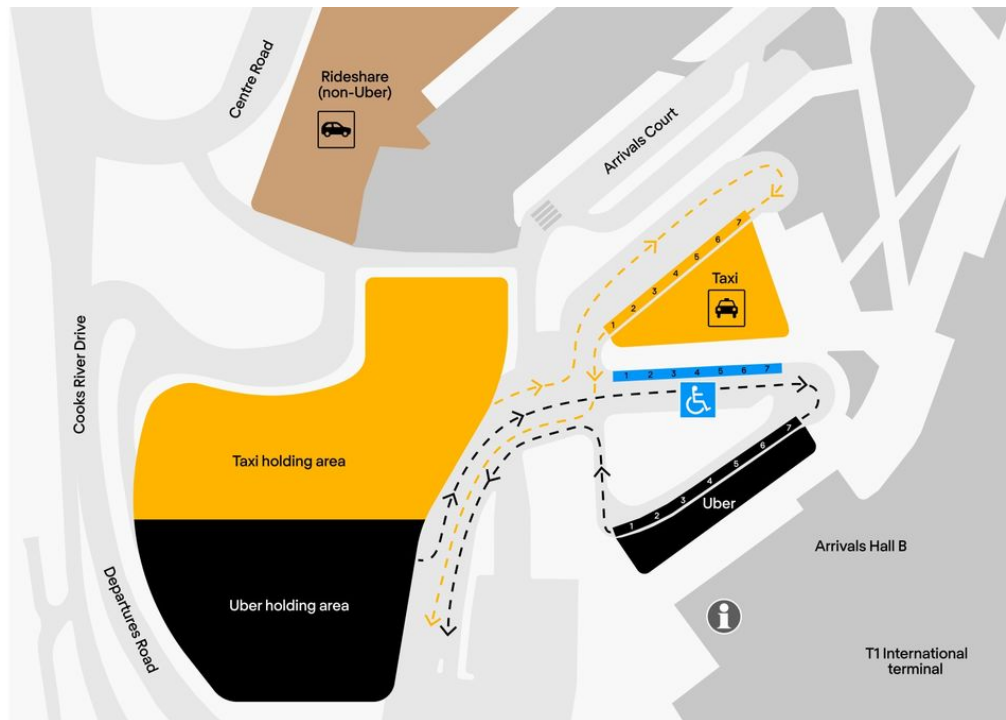
T1

International arrivals

Legend

- Uber --> Uber
- Taxi --> Taxi
- Rideshare
- Shared/accessible pick up
- Information

SYD



A new Uber holding zone will feed the dedicated Uber pickup areas.

When you request a ride from T1 you'll receive a six-digit PIN code on the app which matches you with the next available driver at one of the pickup zone's seven bays.

The code is linked to your specific request, destination and ride preferences: simply show the PIN on your Uber app to the driver and you'll be on your way.

Sydney Airport's other Uber pickup zone

However, the Uber PIN pickup area – which is open between 6.30am and 10.30pm – is *only* for UberX PIN-based rides.

If you request any Uber ride other than UberX – such as Uber Green, Max, XL, Premier or Assist – you'll need to step across to the accessible pickup zone which lies between the Uber and Taxi ranks.

Sydney Airport tells *Executive Traveller* that as of September 24 this will be shared with Uber, with four of the seven parking bays set aside for Uber's 'non-X' rides.

These will work in the same way as before: passengers will request a specific type of Uber ride, a driver waiting in the holding area will accept the job and then proceed to this secondary Uber pickup zone.

Costs

Although there are variations in every state, Sydney's costs remain the highest. Sydney's forecast costs remain the highest and Sydney's fare changes have been the lowest. For reference, we draw your attention to the following extracts from a report of the Victorian Essential Services Commission.

Table 2 Change in costs of operating a conventional taxi
June 2022 to June 2024

Cost component	Cost share	Change in cost inflator	Contribution to overall change
Fuel	6.6%	-14.9%	-1.0%
Network (equipment)	5.7%	1.3%	0.1%
Network (labour)	5.7%	6.6%	0.4%
Insurance	3.6%	20.6%	0.7%
Vehicle	7.6%	20.5%	1.5%
Registration	1.2%	4.9%	0.1%
Repairs and maintenance	6.9%	7.5%	0.5%
Administration	7.7%	6.9%	0.5%
Total operating costs	45%	6.4%	2.9%
Driver labour	55%	12.7%	7.0%
Total operating and labour costs	100%	Not applicable	9.9%

Note: most changes in cost inflators are measured over the period from June 2022 to June 2024. However, the changes in the cost inflators which use the wage price index (network (labour) and administration) and comprehensive car insurance index (insurance) are measured from June 2022 to March 2024. See Appendix E for more information.

Source: Essential Services Commission analysis (see Appendix E).

Table 3 Change in costs of operating a wheelchair accessible taxi
June 2022 to June 2024

Cost component	Cost share	Change in cost inflator	Contribution to overall change
Fuel	7.0%	-16.2%	-1.1%
Network (equipment)	4.3%	1.3%	0.1%
Network (labour)	4.3%	6.6%	0.3%
Insurance	3.9%	20.6%	0.8%
Vehicle	11.5%	23.0%	2.6%
Registration	1.1%	4.9%	0.1%
Repairs and maintenance	6.3%	7.5%	0.5%
Administration	6.5%	6.7%	0.4%
Total operating costs	45%	8.1%	3.6%
Driver labour	55%	12.7%	7.0%
Total operating and labour costs	100%	Not applicable	10.6%

Note: most changes in cost inflators are measured over the period from June 2022 to June 2024. However, the changes in the cost inflators which use the wage price index (network (labour) and administration) and comprehensive car insurance index (insurance) are measured from June 2022 to March 2024. See Appendix E for more information.

Source: Essential Services Commission analysis (see Appendix E).

Fare components

Tariffs and Tariff Selection

Multiple Tariffs are a fact of life.

In the interest of having drivers in taxis at high-demand times night tariffs and weekend tariffs are essential.

In our view, this arises from two drivers:

1. The competition for labour in an economy that still expects night workers to be compensated for forgoing societal rest times and events, and
2. Long-standing decisions of the Government to drastically reduce (or even cease) public and mass transportation services outside commuter hours

The taxi industry does not often enough remind the public that not only do we provide the *first mile* and the *last mile* of commuter journeys involving train ferry tram or bus, but for significant numbers of hours across the week, the taxi industry provides *the* public transportation service.

Night time rates

We feel the Tribunal should recommend an earlier start to evening tariffs.

We strongly support the New South Wales Taxi Council's push for a review of times. A look at different states suggests that the Choice of Times for Night Rate varies widely

State	Time for Night Rate	Time for Peak Rate
NSW	10 pm – 6 am	10 pm – 6 am (Fri/ Sat)
QLD	7 pm – 7 am	
VIC	5 pm – 9 am	10 pm – 4 am (Fri/ Sat)
SA	7 pm – 6 am	Weekend
TAS	8 pm – 6 am	
WA	6 pm – 6 am	Weekend
ACT	9 pm – 6 am	

We also support the retention of higher tariffs in evenings early morning weekends and public holidays,

The selection of tariffs by taxi drivers

Clearly, it is in passengers' interest that the selection or activation of any tariffs that are based on time or day should be automated by an internal clock rather than selected by a driver whose conduct may be either erroneously or deliberately to the disadvantage of passengers.

Some of the unintended consequences of the current deregulation and removal of barriers to entities becoming a booking service (cab company) are the implications for both standards and technical regulation. Responsibilities for fare calculation devices largely lie with vehicle owners and taxi companies rather than a regulator.

Whilst any incorrect tariff selection is clearly undesirable, nowhere has this been more of an issue than in the area of Maxi Taxi rates.

Whilst Maxi Taxi rates represent a public benefit by allowing significant numbers of passengers to travel together and at a lower cost than in multiple vehicles there are further benefits. Having tariff incentives for vehicle owners to invest in large form-factor vehicles also gives benefits such as the ability to carry sufficient baggage for groups of tourists and in many cases, these larger vehicles are also wheelchair accessible.

The concern here is that drivers of vehicles that legally could charge a maxi tariff (150% of the standard fare) in certain circumstances, may be able to select this rate for themselves and that this might happen to an unsuspecting passenger. Likewise, to the extent that night and peak tariffs exist. These should, by regulation only be able to be charged when applied *automatically* rather than allow for their selection by a taxi driver.

Audits of taxi meters (Fare Calculation Devices or FCDs), once a standard feature of the taxi industry, are now rare if even existent.

We would suggest that for hail or rank trips Maxi Taxi rates can only be charged in ways that allow for remedying the problem of small and impractical five-seater vehicles charging a maxi taxi rate inappropriately, whilst maintaining any incentives for wheelchair-accessible vehicles, in a market where such incentives are now few.

Distance rates versus time rates

It is generally accepted that distance rates are required to match expenditures on fuel and maintenance. Given metropolitan rates regularly include city traffic. We strongly recommend a retention of time rates. The public does not understand that the amount charged on a taximeter which has a crossover between distance and time calculation will not be the same as their approximation on Google Maps or similar. It is a real-time calculation to reward a driver for his inability to otherwise make a living during busy times.

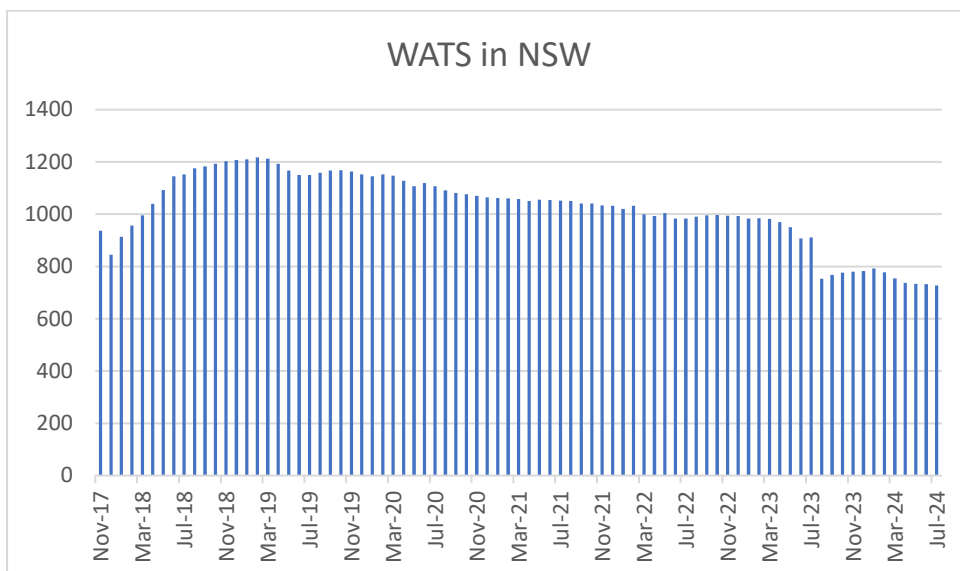
A consequence of removing time-based rates would be a likely reduction of vehicles available in peak hour as the earnings per hour would reduce and drivers, especially in this one-driver-one taxi model would simply work during less congested other hours.

The public is also generally unaware of the mathematical derivation of a crossover speed as opposed to some fiat value. We are happy to supply the Tribunal with more, if this material is not readily available.

The crossover speed equates the driver's labour per hour to being not less than the waiting time when a driver is actually travelling, in the absence of a sensible crossover speed drivers could find it more profitable to go slowly!

There remains a need to find an incentive for wheelchair taxi operators.

The number of WATs in New South Wales has been falling dramatically.



What is even more troubling is not simply the reduction in wheelchair-accessible taxis over time, but the fact that a large proportion of wheelchair-accessible taxis in New South Wales have always been in rural and regional areas. Although The Point-To-Point Commission no longer separates this reporting (all licenses are now statewide). Urban vehicle loss is substantially more drastic than this data would suggest, the situation is less dire in the rural areas.

Once incentivised by low-cost licenses, wheelchair-accessible taxis are critical for those with disabilities and those facing the greatest transport disadvantage in our community. An increase in funding is essential. At the very least a substantial increase in lift fee, (we are aware, this is paid for by the New South Wales government) if not a new approach of subsidies altogether will be required to address this.

We suggest that higher occupancy or maxi tariffs should be more available within the wheelchair-accessible taxi space. Victoria has a specific high occupancy vehicle fee. This is an idea which may be

applicable when wheelchair-accessible vehicles are being used to transport passengers who do not require wheelchair transport.

In response to the IPART request for submissions relating to other factors limiting wheelchair transport, we would remind the Tribunal of:

- The cost of the vehicle,
- The related cost of insuring a more expensive vehicle
- Substantial driver liability
- The requirement for public liability insurance because of operation of chairs outside of the taxi
- Training and related costs (once subsidised by New South Wales government but no longer)
- The difficulty of the work (a range of passengers in varying situations)
- Limited returns. Even though trips are subsidised. The majority of passengers are disability pensioners and therefore taxi travel is expensive even when subsidised.

Taxi-specific cost patterns

Since the pandemic, taxis have faced substantial costs for hybrid vehicles, in a market where because of soaring fuel costs fuel and because of competitors such as rideshare and food delivery, all seeking the same vehicles, prices have soared.

More expensive vehicles of necessity results in more expensive insurance for those vehicles.

We have reviewed the ABS Transport Group indices, but although they show substantial cost increase. We feel they are less than taxi increases.

Abs at <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>

It is well-known and generally understood that in Sydney fuel pricing can vary daily, educated customers can reduce their costs by observing price cycles. Taxi Drivers cannot time their purchases of fuel to work with the irrational intra-week cycles of Fuel retailers. They are in the retail market every day.

A specific one-off cost increase- Mobile data changes

Until recently, almost all taxi dispatch equipment in Australia (and the equipment mandated for safety in unbooked work) operated on 3G cellular networks. For reasons unrelated to taxis, all of Australia's telecommunications networks either have already, or will close down their 3G mobile data networks even before this review is completed. The result has been a one-off cost increase for providers of safety equipment to un-booked taxis.

City-country harmonisation

We refer the tribunal to the specialist knowledge of the regional taxi providers and Taxis New South Wales. Given the new licensing arrangements, we can understand arguments around some simplicity of unified fares. We would, however, point out there are arguments around genuine differences:

- The majority of trips in rural and regional New South Wales taken in taxis are booked trips.
- Hails from regional centres to outlying areas result in virtually no prospect of a return trip.



Metro fare zones

A review of the geography raises questions of both materiality and potential for unintended consequences.

Since metropolitan areas (See chart above) have been increased to include areas such as Shellharbour in the Illawarra and Williamstown (home of Newcastle Airport); it is likely that Harmonisation of fares between city and country, whilst having the attraction of simplicity does not yield a material community benefit and has the downside risk of unintended or unknown consequences to the operations of taxis in country New South Wales.

Very different labour markets exist not only in Metropolitan / Country often varying in each country town.

The value of driver labour- the strongest case for a fare rise

In reviewing taxi fares in 2023 the Victorian Essential Services Commission noted that *labour costs represented some 55% of total taxi costs* and applied this in their then-index model.

One of the consequences of no taxi fare price rises over many years, is the effective devaluing of the value of taxi driver labour. Taxi drivers are in small businesses where they can neither control the demand, nor the price. In general terms, taxi drivers have also faced any price elasticity of demand effects which may have resulted from the introduction of levies; without being the group who benefited from payments to licence holders.

Taxi drivers have not only faced the same inflation challenges as the general community, (but the impact of post-pandemic inflation has been higher in relation to some specific items including vehicles and vehicle parts which have complicated supply chains.

We have reviewed a number of commonly accepted labour cost measures:

- WPI
- Minimum Wage
- Award for Drivers (yes, there is a modern award that applies to taxi drivers, although the number of people who work as employees in this industry is extremely small and limited to some multi-modal transport operations)

All of these measures have risen steadily over recent years. (Unlike taxi driver incomes derived solely from taxi fares.)

Substitutes in the contest for driver labour

At no time have there been more opportunities for limited structure driving related work than the present. The post-pandemic explosion of online shopping and food delivery when combined with the introduction of rideshare means that in order to service the travelling public, the taxi industry with no ability to move fares, must compete for labour against a platter of services including:

- Rideshare
- Food delivery e.g. Uber eats Door Dash menu log
- Parcel /shopping delivery e.g. Amazon Flex
- Hire car and limousine

All of which have flexible or market-related pricing.

Given the regulated taxi industry's inability to adequately compensate taxi drivers at times of peak demand, the resultant service problems have essentially corralled customers towards rideshare. This has been a disappointing effect of the years-long delay in addressing taxi fares.

This problem has been far greater in New South Wales than in other parts of Australia.

A brief review of other Australian jurisdictions shows they have all given recent substantial taxi fare rises to drivers, this despite having very different regulatory and licensing models.

Australian Jurisdictions with a broad range of very different licencing structures have **all** increased taxi fares.

State	Licencing model	Fare rise determined		
		2024	2023	2022
QLD	Tradable licenses with significant value	5.68%	8.40%	5.50%
VIC	Open entry for administrative fee	5.50%	4.10%	11.20%
ACT	Varies, low-cost	CPI	CPI	CPI
NT	Open entry for administrative fee	CPI	7%	CPI

The shocking reality of years of no fare increases

Unfortunately, the taxi industry has a significant turnover of drivers, particularly students. A driver who starts the day after a fall in licence prices or reduction/removal of effective lease costs has neither any knowledge nor interest in what has gone before. All she or he knows is that they have seen no potential increase in price, but an increase in costs both in the community and specifically and competitors with infinitely flexible pricing. As other jurisdictions have noted, the reduction of licence cost cannot be held out as a reason not to deliver a rise to taxi drivers over the better part of a decade.

In addition to equity, unintended consequences and adverse effects of no visible rise include:

- Reduced service levels pushing passengers further away from the taxi sector into the future
- An increase in overcharging (A practice exacerbated by drivers shifting between modes of point-to-point transport and being accustomed to surge pricing when driving in the rideshare sector - hence trying it out in the taxi sector)
- A broad range of difficult-to-measure concerns such as driver turnover and even adherence to safety factors such as fatigue management.

Additional matters

Taxi driver bailment continues to be regulated.

Outside the public sector, almost all Australian industrial relations is managed at a federal level. Sydney taxi drivers are one of the few exceptions. This exception does not even apply in rural and regional New South Wales. Under Chapter 6 of the *Industrial Relations Act 1996* (NSW), the NSW Industrial Relations Commission (IRC) is empowered to make contract determinations for drivers under a bailment in respect of driver remuneration, annual, sick and long service leave, the minimum and maximum number of bailment hours and other matters it considers necessary.

In 2016. The New South Wales Parliament, (upper house enquiry) recommended amending this act and nothing has changed. We take this opportunity to ask. IPART to comment on the impact this has on cost and competitiveness in the un-booked sector.

Sydney Taxis face competitors and substitutes without this stricture, and even regional taxis, where the arrangements are more common do not face this regulation.

Availability of taxis on ranks for the public

Perceptions about value, certainty of availability and instant service on a rank is partially about State and Local Governments assisting Taxis to have rank space at reasonable points (convenient and visible).

The state's taxis are best utilised for rank and hail when they are both available to the public and visible. We urge the government to assist with the positioning of taxi ranks.

Survey data

Whilst GM Cabs sees great value in industry and user surveys, we would ask that these be conducted regularly and with consistency, developing a time-series. Whilst disappointing that this survey data will not be available until after initial submissions for this review, we welcome the renewal of this process.

Costs Survey

We feel it not only appropriate that survey data be conducted on the costs of taxi drivers and operators, but an understanding be formed of the cost of their competitors and substitutes. We are disappointed that at this stage, IPART has chosen not to conduct such a survey.

Value for money

We are particularly concerned about survey responses to questions relating to the issue of *value for money*, and why this is hard to assess from a survey. Our own internal customer research provides feedback that taxis have been getting increasingly expensive.

Given that there has not been a material increase in taxi fares in years (other than the addition and then increase in passenger service levies - none of the benefits of which accrue to today's drivers). This customer perception initially seems to make no sense. When we review the total trip cost, we understand the difference. Put simply – the *massive* increase in Levies and tolls in NSW, like the GST, none of this accrues to taxi drivers.

Perceptions of an increasing taxi prices and a decrease in value for money are almost entirely related to tolls. A Sydney taxi driver can easily accrue \$100-\$200 of toll charges daily.

Tolls are no longer visible to the travelling public, they are not signed on the actual freeways. Passengers do not know what tolls are charged in their own vehicles. It is typical to pay in \$50 or \$100 increments. Even the Sydney Harbour Bridge these days has ERP tolling different tolls. At different times of the day of the week.

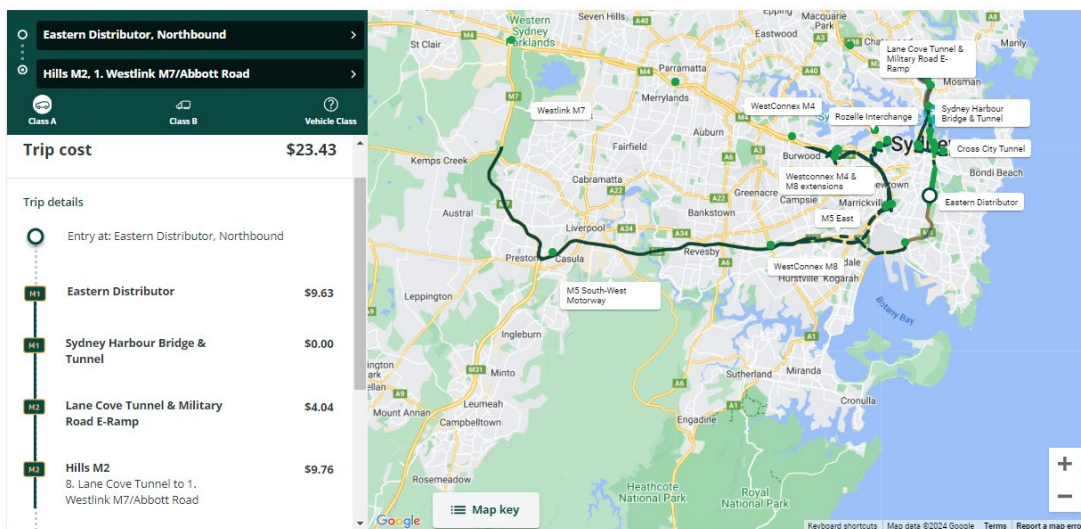
Many tolls are increased with CPI or a greater number with the cadence of every 13 weeks.

A typical taxi fare from Sydney Airport can have a Levy of \$1.32 and an airport charges between 5 and 6 dollars before starting followed by tolls of up to \$30 on a single trip. Taxis do not benefit from any New South Wales government's toll Schemes.

We would argue that survey responses to value for money decreasing are largely about the massive increase in charges which do not accrue to taxi drivers.

Typical trips which will shock you appear below. Tolls of between 20 and \$35 are easily achieved.

Trip Cost in these examples is only the TOLL amounts



○ Rozelle Interchange, 12. Anzac Bridge, Rozelle Inter...

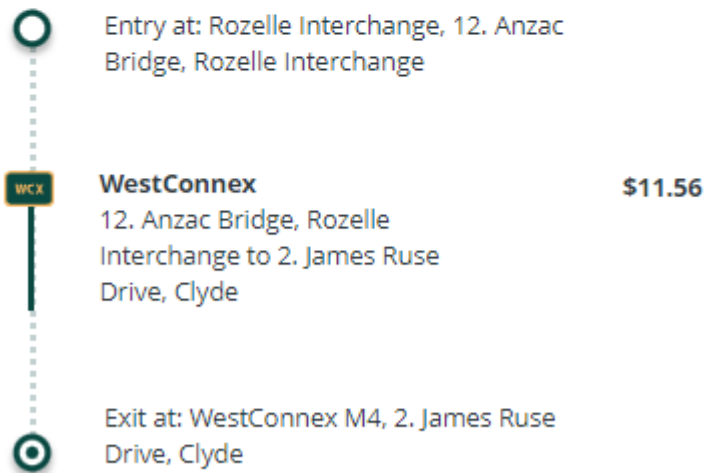
○ WestConnex M4, 2. James Ruse Drive, Clyde

Class A Class B Vehicle Class

Tag account Tagless account Sydney Pass

Trip cost **\$11.56**

Trip details



This tool is a toll calculator only, and is not intended to be used as a journey planner because it does not take into consideration live traffic and

Eastern Distributor, Northbound >

NorthConnex, Pennant Hills Rd, Wahroonga >

Class A Class B Vehicle Class

Tag account Tagless account Sydney Pass

Trip cost **\$33.18**

Trip details

Entry at: Eastern Distributor, Northbound

M1	Eastern Distributor	\$9.63
M1	Sydney Harbour Bridge & Tunnel	\$0.00
M2	Lane Cove Tunnel & Military Road E-Ramp	\$4.04

M2	Hills M2 8. Lane Cove Tunnel to 3. Pennant Hills Road / NorthConnex	\$9.76
NC	NorthConnex Pennant Hills Rd, West Pennant Hills to Pennant Hills Rd, Wahroonga	\$9.75

Exit at: NorthConnex, Pennant Hills Rd, Wahroonga

This tool is a toll calculator only, and is not intended to be used as a journey planner because it does not take into consideration live traffic and road conditions. We calculate the total toll cost based on your selected entry and