

From: Adam Johnston
Sent: Monday, 10 March 2025 12:22 PM
To: Jennifer Vincent
Subject: Submission - Rank and Hail inquiry

Dear Ms. Vincent,

My first observation is that however many IPART, Parliamentary or other reports are produced, little changes regarding the taxi industry. A brief Google search produced these two submissions of mine;

<https://www.parliament.nsw.gov.au/lcdocs/other/7955/Mr%20Adam%20Johnston.pdf> and https://www.ipart.nsw.gov.au/sites/default/files/documents/online_submission_-_individual_-_a_johnston_-_12_mar_2013.pdf. Admittedly, this came from a time in my life where I still believed that markets could efficiently and fairly solve allocation problems. After ten years of the National Disability Insurance Scheme (NDIS, in which I am a now reluctant participant), it seems 'markets' are often a euphemism for publicly subsidized rent seeking which produces poor quality goods and services, as well as many dissatisfied customers.

With specific reference to the taxi industry, understand that I would never hail a taxi off the street or use a taxi rank. My disability and confinement to a wheelchair means I must use a WAT (Wheelchair Accessible Taxi). Why should anyone take the chance of one of these not being available on a rank or to hail? For me, it is a question of personal safety and security. A mobile phone with texting ability allows me to contact my regular drivers the day before an appointment and be assured of pick up and return at or near times I designate. It also provides drivers with guaranteed work, while allowing me to maintain work and other commitments in a timely manner – in short, we both benefit. By contrast, the SCIA/Government radio room is a cost to my driver and of no use to me. Now in my early fifties, I began to use taxis regularly in my undergraduate university days. Bookings were made privately because the 0200 Radio Room was too unreliable. Any number of initiatives were launched by the NSW Transport Department to discourage the use of private bookings. These all failed and will never work, then or now.

There are any number of reasons for this. Firstly, in my own experience, drivers may be required by law to have an 'official' radio, however, they really rely on their mobile phone and numerous computer/phone applications for work. The SCIA/Government system is a dinosaur from a communication age which has largely passed. Knowing this, I privately plan trips the day before travel, avoiding outcomes like this: [Inaccessible taxis leave passengers waiting for hours | 9 News Australia - YouTube](#) and [Taxi Troubles: The Experiences of People With Disability | Physical Disability Council of NSW](#). Again, the Disability Council seems to think change will come with incentives or a 'nationalised system', according to its 'Taxi Troubles' report. I doubt this, citing my earlier two submissions above. Whether it was the near monopolistic power of Cabcharge and the Taxi Council in years past, or the disruptive influence of online taxi and ride-share apps (which wiped much of the value from taxi plates) both situations exposed vulnerabilities in the regulation and management of the industry. However, industry willingness to reform has been

underwhelming, while most drivers on the road are not the ones making the money. Additionally, while the concept of additional subsidies to WAT drivers may be of some benefit, the cost will be reflected in fares, as was the case to raise funds for taxi plate holders, agreed several years ago. While I have the benefit of employment, not all of those with disabilities will be so fortunate, nor necessarily have transport as a budgeted item, even if they are part of the NDIS. Indeed, if you refer to the Bureau of Statistics, the Human Rights Commission or NDIS data, you will note distinct differences in employment. For the general population, the ABS says:

In trend terms, in January 2025, the participation rate:

- remained at 67.2%.
- remained at 71.3% for men and increased to 63.2% for women (See: [Labour Force, Australia, January 2025 | Australian Bureau of Statistics](#))

Referring to those with disability, the ABS says:

In September quarter 2024, of those aged 18-75 years who did not have a job, were not retired and not permanently unable to work:

- 2.0 million people had a long-term health condition, and of these, 654,400 (33%) wanted a paid job, down from 39% in June 2024.
- 1.3 million people had a disability, with 474,700 of these people wanting a paid job (37%).

Note that people can report having both a long-term health condition and a disability. (See: [Barriers and Incentives to Labour Force Participation, Australia, September 2024 | Australian Bureau of Statistics](#))

The Human Rights Commission says just over 50% of people with disability are in some form of employment (see: [Employment for people with disability in Australia | Australian Human Rights Commission](#)) and the Australian Institute of Health and Welfare offers similar figures (see: <https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/employment#:~:text=In%202018,%2048%%20of%20people%20aged%2015%E2%80%9364%20with,employed,%20compared%20with%2080%%20of%20those%20with%20disability.>) The NDIS figures are somewhat harder to interpret and also must be qualified as representing a subset of those with significant disability, where age groups and other categories are used, which makes valid comparison with other data sources, difficult (see: [More NDIS participants and families and carers in work, new data reveals | NDIS](#)).

In short, I don't believe many with disabilities or our families are financially able or ready to pay another surcharge, given lower rates of employment, alongside higher rates of chronic illness and social disadvantage. Furthermore, over the last few years, a couple of my regular drivers

have stepped back from regular driving or have retired. Even full-time drivers say finding night-shift drivers is very hard. Consequently, I book any evening or early night taxi privately and well in advance. Personally, late nights are not favoured by me or my family either, to the point that where we look for the matinee performance of any live theatre or similar event, where possible. I also sympathize with many taxi drivers' safety concerns over night driving.

Underlining my own views on safety, some years ago, I was invited to a meeting. The detail of the meeting is not relevant, however, with the best of intentions the organizers insisted on arranging and paying for my transport. While the meeting was during daylight hours, the taxi booking was put out for allocation by the radio room at the time I was due to arrive at the meeting. Over an hour late, with an erratic driver, with limited English and even less knowledge of where he was going, I eventually closed my eyes and wondered whether my next arrival would be at the Pearly Gates, alongside any number of other motorists and pedestrians. Somehow, I arrived at the planned destination, but to this day, such an outcome was not expected. Future meetings saw me take back control of taxi bookings and given both my lateness and likely ashen appearance, my colleagues readily agreed. All bookings went through my private 'drivers circle', I felt safer and resumed arriving at appointments in an orderly and timely way. I have not since, nor does one plan to use the formal radio room to book a taxi, ever again. Similarly with proposals to change the flag fall or other related components for short trips, I remember the NSW Griener Government trying to reform this area in the early 1990s. Drivers revolted and the radio room declining to provide a booking's ultimate destination was an initiative quickly abandoned.

Ultimately, regulators can lay down as many rules as they like. The issue is the inconvenience and cost both drivers and passengers are prepared to tolerate. I worry about initiatives or incentives which raise prices or increase subsidies. This is occurring in so-called markets that are already distorted and dysfunctional. As in almost all industries, the workforce is also ageing. There seems little evidence of a new generation of younger taxi drivers coming through the system. Such work may not appeal to many people or be seen as linked to a career path. Governments may have to plan for a publicly delivered and staffed taxi service, particularly in niche and underserved areas. Note that I deliberately did not use the word 'markets'. This is because when you have a product or service with inelastic demand and little product differentiation, what is gained by corporatizing or privatizing the offering? Market advocates would say that it was supposed to be an advance for consumer choice, innovation, and competition on price. Thirty years on from major social and market-based economic reform in Australia, we have 'market operators', 'price caps', 'service obligations in contracts' and 'industry ombudsmen'. Personally, services like telephony, water, and power (as well as disability services) feel like very 'contrived markets' – I formed this view even while working for an industry ombudsman. It was clear that many customers did not understand their utility contract, which was true of me at times; even as a complaints handler who is also a trained solicitor. As such, many people were not financially benefiting from their utility contracts because they did not understand them, nor how to play different retail providers against each other. To make these savings took time and research, and most consumers did not have enough time for the detailed research required.

In sum, market principles may work well in theory but in practice there are numerous anomalies, which a bunch of quasi-market regulators and consumer advocates now try to regulate. Furthermore, if policymakers start subsidizing a good or service, the setting now seems to stay indefinitely (e.g., see the NDIS) regardless of continued cost overruns and even if the rate of overspending can be tempered. People also seem to insist there is an operative market, even when the provision of a good or service is completely reliant on public funding. This is the Claytons market; the market you have when you cannot bring yourself to the admission that you don't have a market. To me, this the issue IPART and the State Government will have to confront with WAT taxis. For how much longer can the WAT network of taxis be subsidized? Equally, for how much longer should the SCIA/Government radio room be supported, when I suspect that a growing number of drivers and passengers (like me) do not use it? I acknowledge that the Draft Report does suggest lifting some of the subsidies and the flag fall. However, one suspects that many of the same problems will be just as obvious in future reviews of the taxi industry.

Yours faithfully,



Adam Johnston