



This submission is provided in response to the IPART Review of maximum fares for Rank & Hail Taxi Services in NSW

NSW Taxi Council Submission

Review of maximum fares for Rank & Hail Taxi Services in NSW

16 September 2024

Table of Contents

EXECUTIVE SUMMARY	3
THE KEY RECOMMENDATIONS OUTLINED IN THIS SUBMISSION	5
INTRODUCTION	7
NSW TAXI COUNCIL CONSULTATION	10
NSW Taxi Council & CTOA response to the IPART Review of Maximum Fares for Rank & Hail Taxi Services in NSW.....	12
1. What are your views on the level and nature of competition in the rank and hail market? Does it vary by region of NSW or by time of day?	12
2. What are the main differences between operating rank and hail services and booked services?	14
3. What changes have you seen that impact services, costs and prices since the 2017 regulatory framework came into effect?.....	15
4. Is the cost of providing taxi services increasing, stable or declining? What evidence is there that costs are changing?	21
5. Are current fare levels too low, too high or about right?	22
6. Maximum fares for rank and hail are currently set using fixed components including a hiring charge, distance rates and waiting time rates. Do you have suggestions for an alternative approach?.....	26
7. Pre-booked fares can vary depending on supply and demand conditions. Should maximum fares for rank and hail services also be allowed to vary depending on local conditions?	27
8. There are currently two fare zones ('urban areas' and 'country areas') in TfNSW's fares order. Should there be different zones and why?.....	28
9. What factors are impacting the sector's willingness and/or ability to offer wheelchair accessible taxi services?	29
10. If you are a taxi driver, do you ever have trouble getting passengers from ranks, or from street hails? Do you have to wait for long periods before getting a passenger in either of these ways? What do you see as the main issues?	33
11. If you are a taxi passenger, do you ever have trouble catching taxis from ranks, or hailing taxis from the street? Have you experienced fare refusal or other problems? What do you see as the main issues?	34
CONCLUSION.....	35
APPENDIX A.....	36

EXECUTIVE SUMMARY

The NSW Taxi Council welcomes the opportunity to review and respond to the calls for submissions by IPART on the maximum fares for Rank & Hail in Taxis across NSW.

IPART has been asked to review and make recommendations on the maximum fares for travel in taxis caught from a taxi rank or hailed from the street (“rank and hail taxi services”).

The Transport for NSW (TfNSW) fares order (2023) sets the maximum fare components. There are currently different fare schedules for urban and country regions as well as some exempt areas.

Transport for NSW will consider IPART’s recommendations when setting new maximum fares through a fares order to apply from 1 July 2025.

This submission has been prepared on behalf of members of the NSW Taxi Council operating across the Greater Metropolitan Region as well as Members of the Country Taxi Operators Association (CTOA).

The NSW Taxi Council is committed to working with all key stakeholders, including the NSW Taxi Industry, as well as IPART and other Government stakeholders to ensure that Taxi fares for rank and hail in NSW are structured in an appropriate manner to encourage members of the travelling public to use Taxis more often. Furthermore, we also need to ensure that Drivers and other stakeholders can maintain a viable and sustainable business model to allow for sufficient supply of services to operate across NSW.

TAXI FARES FOR RANK & HAIL SERVICES IN NSW MUST CONTINUE TO BE REGULATED WITH A MAXIMUM FARE STRUCTURE. Passengers need to continue to have financial security and peace of mind when accessing Taxis via a rank or hail.

The timing of this review is vital as the last comprehensive review of rank & hail fares in NSW was back in 2014. IPART has not made any recommendations for adjustment to Rank & Hail fares since then.

Furthermore, since 2014, we have seen a significant increase in the costs associated with operating a Taxi Business, providing passenger services, increase in cost of living as well as a significant change in the competition

within the Point to Point Transport market. All of these factors have placed significant pressures on hardworking Drivers, Operators and Taxi Service Providers, impacting their earnings potential.

The Taxi Industry continues to endorse its commitment to supporting members of the travelling public, particularly those who have accessible needs. This commitment goes as far back to when the Taxi Industry was one of the first modes of Transport to offer wheelchair accessible Taxi services back in 1980. Today, the NSW Taxi Industry proudly provides services to thousands of passengers with accessible needs right across NSW. The NSW Taxi Council has also consulted with representatives from the Disability community as part of gathering insights to help inform this submission process.

This submission focusses on key issues outlined in the discussion paper and includes a response to each of the questions outlined by IPART in the calls for submission document. This submission also looks at how transport services have evolved since the last major review back in 2014, particularly as we have seen a significant number of emerging services entering the Point to Point Transport sector.

We look forward to continuing to work with all stakeholders within Government, including IPART, Transport for NSW and the Point to Point Transport Commission as well as other key stakeholders, including Industry representatives and representatives from the disability community, as we aim to achieve better Customer and Industry outcomes, supported with a fair and equitable approach on fares, whilst maintaining safe passenger services.

THE KEY RECOMMENDATIONS OUTLINED IN THIS SUBMISSION

Recommendation 1: Taxi Fares to continue to be Regulated for rank and hail services in NSW

Recommendation 2: The NSW Government to undertake a review to understand cost to operate a substitute service eg Rideshare compared to Taxis

Recommendation 3: The NSW Government to introduce tougher penalties for mis reporting vehicle use on Registration of vehicle.

Recommendation 4: Taxis and Rideshare to be placed in the same class for CTP, with both sectors paying the same amount.

Recommendation 5: The NSW Government to introduce tougher penalties requiring Rideshare to accurately report vehicle use for insurance purposes.

Recommendation 6: The NSW Government to amend the Workers Compensation Legislation to include Rideshare.

Recommendation 7: The NSW Government to conduct a full review of the costs incurred by Taxi Businesses since the introduction of the Point to Point Transport Regulations (2017)

Recommendation 8: The NSW Government to conduct a full review to understand the impact on Taxi demand and supply across NSW since the introduction of the Point to Point Transport Regulations (2017)

Recommendation 9: The NSW Government to conduct a full review to understand the financial cost required to maintain services in Country/Regional towns where funding is required to ensure that a service is available.

Recommendation 10: The NSW Government to conduct a review to understand the financial support required to assist Taxi Operators to help subsidise costs of Insurance and Registration to ensure sufficient supply of Taxis to meet demand.

Recommendation 11: Taxi Fares to be reviewed annually with adjustments to be aligned with other public transport fares for 1 January each year.

Recommendation 12: IPART to recommend adjustment to the Urban Fares Order for 1 July 2025 as proposed in the NSW Taxi Council Submission under “Urban Fares”.

Recommendation 13: IPART to recommend adjustment to the Country Fares Order for 1 July 2025 as proposed in the NSW Taxi Council Submission under “Country Fares”.

Recommendation 14: Propose for fares to be rounded to the nearest \$0.10 cents when passenger is paying using cash.

Recommendation 15: IPART to recommend the NSW Government introduce Regulations requiring meters to be locked down to dispatch systems and payment devices connected via Bluetooth enabler.

Recommendation 16: Allow for surcharge of maximum \$20 to be applied at nominated special events conditional that the passenger is being picked up at a designated Taxi Rank (permanent rank or special event rank) or within a defined Geo-Fenced perimeter of the event (in the case that a Taxi rank may not be operating).

Recommendation 17: Allow for an optional surcharge of maximum \$15 to be applied at nominated Regional locations between 11pm to 4am. To be managed between the TSP and the Meter provider.

Recommendation 18: Maintain two zones for Rank & Hail Taxi Fares, for Urban and Country.

Recommendation 19: IPART to recommend to the NSW Government to adopt the NSW Taxi Council 7 Point WAT's Action Plan to help improve WAT Services

Recommendation 20: IPART to recommend to the NSW Government to conduct a review to understand the impact Cycle Lanes have had on passenger pick up/drop offs

INTRODUCTION

The NSW Taxi Council is the peak body for the NSW Taxi Industry. It represents Taxi Networks, Licence Holder/Operators, and it also advocates for better outcomes for NSW Taxi drivers.

In NSW there are over 6,000 Taxis registered and operating. We estimate that there are over 4,000 Taxi licence holders, in excess of 260 authorised Taxi service providers and more than 10,000 drivers. Therefore, the industry is the livelihood of over 20,000 people and their families.

The NSW Taxi Industry is a major contributor to the state's public transport system. It provides approximately 40 million passenger trips each year* and it meets customer travel needs right across NSW. It functions as a door through door transport service that operates 24 hours a day 7 days a week in many areas across NSW. The NSW Taxi Industry also provides services at times when other forms of public transport either significantly reduce service levels or cease operations altogether. Taxis are often the only form of public transport for some members of the community, and they provide essential transport services to some of the most disadvantaged people in the state. The NSW Taxi Industry was the first private transport sector to offer transport services for passengers travelling in a wheelchair. In fact, our history in disability services goes as far back as 1980 when the first wheelchair accessible Taxi was established.

The NSW Taxi Industry is also a significant contributor to the state's economy, providing employment opportunities for tens of thousands of drivers, operators, and network management staff as well as for other industries which rely on economic activity that the NSW Taxi Industry generates. The Taxi industry contributes to the economic generation of the state by connecting people efficiently and effectively for business, education, tourism and essential lifestyle activities. International accounting firm Deloitte Access Economics has previously undertaken an independent assessment of the economic contribution of the NSW Taxi Industry and had estimated the annual contribution of the industry to the NSW economy to be in the order of \$1.15 billion per annum (pre 2015).

The NSW Taxi Industry is made up of an array of providers, ranging from the Taxi Licence Holder (the licence being the principal legal instrument to provide a Taxi service), through to drivers. A Taxi Licence Holder may own, operate and drive a Taxi. They may also bail the Taxi to a separate driver for the purpose of carrying out a

shift. Authorised Taxi Service Providers (“Networks”) are the principal means through which Taxi services are coordinated. They provide booking services, and a range of safety and other services to operators and drivers.

Authorised Taxi service providers may not have a direct financial relationship with Taxi drivers. It is the Taxi operator who pays their Network a fee for their taxi to have access to the network’s services (including its booking services). The affiliation of a Taxi with an authorised Taxi Service Provider allows the Taxi legal access to the rank and hail market, which has been preserved exclusively for Taxis.

Taxi drivers bail Taxis from Taxi operators by paying a bailment fee to the operator (either a set “pay-in” or a share of the takings from a shift bailing a Taxi). In most cases, it is the Taxi driver and not the network or the operator who collects the fare from the passenger.

The NSW Government does not, unlike other forms of public transport, procure Taxi services from the NSW Taxi Industry. Whilst some financial support is provided to assist disadvantaged members of the community to access Taxi services, on the whole the Taxi transport system has been created and continues to operate as a consequence of the many people and organisations that have committed capital to invest in the industry. The NSW Taxi Industry also generates revenue for the NSW Government through the issuing of annual Taxi licences. A Taxi Licence is required for any Taxi to provide rank and hail services. The NSW Government also generates other revenue through authorisation fees and taxes.

The NSW Taxi Industry has gone through a period of unprecedented change over the past ten years. The NSW Government’s Point to Point Transport reforms, which were Legislated in NSW Parliament in June 2016, have introduced a new approach to the regulation of the NSW Taxi Industry as an integral part of the Point to Point Transport sector and the industry has transitioned to a markedly different regulatory environment as a consequence.

The Point to Point Transport sector consists of a wide range of service providers including the Taxi industry, Hire Cars, Ridesharing (collectively known as hire vehicles under the Point to Point Transport (Taxis and Hire Vehicles) Act 2016, and the community transport sector.

During this time, the number of vehicles providing Point to Point Transport services has significantly increased in NSW. A significant growth in vehicles providing Point to Point Passenger Services has been experienced across

the Sydney CBD, as well as greater Sydney and Country and Regional NSW. In fact, there are now over 2,300 Authorised Service Providers operating in NSW.

Accordingly, the NSW Taxi Council welcomes the review by IPART into Rank and Hail fares for Taxis in NSW, as we continue to promote safe services and provide better outcomes to members of the travelling public and those involved in providing and delivering the services right across NSW.

* Deloitte Access Economics independent assessment of the economic contribution of the NSW Taxi Industry (pre 2015)

NSW TAXI COUNCIL CONSULTATION

The NSW Taxi Council held a series of workshops with participants from within the NSW Taxi Industry, as well as providing an opportunity for external stakeholders to make a contribution as part of the consultation process to help inform this submission. This has also included an online survey which was sent to Industry and Customer Stakeholder groups outlined below. The survey reached over 100 organisations, with a potential reach of over 5,000 stakeholders represented by the respective organisations.

This submission has been made on behalf of the Members and Stakeholders represented by the NSW Taxi Council and the Country Taxi Operators Association, including consultation with the following Stakeholders;

- **Taxi Service Providers** across the Greater Sydney Metropolitan Region, who are members of the NSW Taxi Council engaged in a workshop (in person and online)
- **Taxi Operators and Drivers** who participated in an online survey released by the NSW Taxi Council.
- **Country Taxi Operators Association**, including the following stakeholders from Country and Regional NSW;
 - Taxi Service Providers
 - Owners/Operators of Taxis
 - Drivers of Taxis who provide services to people within their respective communities
- Members of the **Disability Reference Group** – A Reference Group established and Chaired by the NSW Taxi Council, involving representatives from the NSW Taxi Industry as well as Disability Organisations, including;
 - **Blind Citizens Australia**
 - **Council for Intellectual Disability**
 - **Council of the Ageing**
 - **Dementia Australia**
 - **Guide Dogs NSW & ACT**

- **People with a Disability Australia**
- **Physical Disability Council of NSW**
- **Spinal Cord Injuries Australia**
- **Vision Australia**

NSW Taxi Council & CTOA response to the IPART Review of Maximum Fares for Rank & Hail Taxi Services in NSW.

1. What are your views on the level and nature of competition in the rank and hail market? Does it vary by region of NSW or by time of day?

When the NSW Government legalised Rideshare services back in December 2015, a conscious decision was made to preserve the Rank and Hail market exclusively for Taxis. This decision was further supported by the fact that Taxis were required to have all of the necessary signs and markings as well as the security and safety features, including cameras as well as additional measures in the Greater Sydney region (eg duress alarms and GPS tracking).

Unfortunately, one of the unintended consequences of the reforms has been the erosion of the rank and hail market for Taxis since the introduction of the unlimited number of Rideshare vehicles. At the time when Rideshare was legalised, there was a perceived wait time by passengers before the Rideshare vehicle turned up, however as we have seen the number of Rideshare vehicles grow in the market, the wait time have reduced significantly, ie we have seen wait times in Sydney decrease from 10-15 minutes down to 2-3 minutes, closing the gap on rank & hail pick up times.

The NSW Government is not stopping there! At the time of writing this submission, the NSW Government has announced its intention to introduce an exemption for Uber to allow the Rideshare company to not be in breach of Clause 84 (a) and (b) of the Point to Point Transport Regulations (2017). This includes a 12 month trial at Sydney International Airport for Uber vehicles to be permitted to rank and ply for hire at kerbside, with passengers using the Uber PIN technology to access an Uber – Instantly.

The announcement also indicated for a review in after the 12 month trial to determine whether there would be a further change to the Regulations to allow this activity to be rolled out elsewhere. This will no doubt, further erode the rank and hail market, placing significant downward pressure on Taxi trips, impacting Driver earnings and viability. This could also lead to a significant decline in the supply of Taxis. We are deeply concerned with this and are of the strong view that Government should not be getting involved in changing the rules/placing

exemptions to Regulations where the end result is providing a competitive advantage to a particular Provider/Brand at the expense of another.

There is a Statutory requirement for the NSW Government to undertake two reviews into the Point to Point Transport Industry;

1. Review into the Point to Point Transport Amended Regulations (2023), must be completed by 1 August 2025 and
2. Review of the Taxis and Hire Vehicles Act (2016), must be completed by June 2026.

It is imperative that the NSW Government undertakes both reviews as a matter of urgency to understand the impacts the reforms have had on Taxi Businesses as well as passenger services.

Rank and Hail fares must continue to be Regulated, as passengers do not have the ability to compare prices when using rank & hail, in contrast to booked fares.

Recommendation 1: Taxi Fares to continue to be Regulated for rank and hail services in NSW

The volume of rank and hail trips can vary across NSW. Whilst the majority of rank and hail fares are highly prevalent in the Greater Sydney Region, Country and Regional locations show a variance in the size of the rank & hail markets according to the size of the town, as well as the nature of businesses operating in the town. For example, a Country town with late night trading (Pubs & Clubs), an Airport, shopping precinct, tourism etc could experience higher volumes of rank and hail than a town with fewer infrastructures which have been noted. Furthermore, we have identified some Country towns with as low as 5% of total fares being rank and hail, and as high as 25% in some of the other towns.

Taxis operating in the Greater Sydney Region have reported potentially between 40-50% of fares being rank and hail, with some smaller Taxi Businesses reporting as high as 80%, where they may be less of a booking platform and more rank and hail.

A number of Taxi businesses have reported introducing technology solutions in Country areas to offset, what could have otherwise been some of the rank and hail work eg Taxi Butler solution in some pubs and hotels.

In most Country towns, the rank is still used for Taxis to queue and wait. Eg Pub rank

People can see Taxis (visibly) when parked at the rank. Taxi Ranks in the Country and Regional areas are a safe place for people to access transport, with Taxis acting as a beacon. This also applies to many ranks in the City. Taxis utilizing ranks also result in social, economic and environmental benefits, as Taxis avoid the need to drive around unnecessarily looking for the next fare, whilst saving Drivers on running costs, fuel etc.

2. What are the main differences between operating rank and hail services and booked services?

From the 1st November, 2017 fares relating to booked services were completely deregulated, whilst Rank and Hail fares continued to be Regulated. The only exception was for booked fares where the passenger using the Taxi Transport Subsidy Scheme. The driver must continue to use a fare calculation device for all TTSS trips, even if they are booked.

This also means that passengers have the ability to compare booked fares and decide which Service Provider/Brand they prefer to book with. Whereas it is a lot more complex/near impossible for a passenger to be able to compare rank and hail fares, particularly when trying to hail a Taxi from the street. This supports the need for passengers to be able to hail a taxi during late nights with safety, ease and convenience to allow for a safe transport experience home.

As noted earlier in this submission, there are a number of important reviews yet to be undertaken by the NSW Government. These reviews are important in also seeking to understand the cost to operate a substitute service ie cost to operate as Taxi Service Provider (TSP) versus a Booking Service Provider (BSP). This insight is critical to truly understand the impact this is having on the ability for TSP's to compete against BSP's, ultimately reflecting in the Service Providers cost/pricing model. Whilst it is important to maintain a distinction between Booked Fares and Rank & Hail fares, there needs to be further research and insight to understand how booked fares, particularly when Rideshare is surging and the impact this has on driver attitude and behaviour when dealing with rank and hail fares.

Recommendation 2: The NSW Government to undertake a review to understand cost to operate a substitute service eg Rideshare compared to Taxis

The other distinct difference between booked fares versus rank & hail fares is the connection/relationship between the Booking Service Provider's brand and the passenger. The service delivery experience could have a direct impact (good and bad) on the BSP's brand. On the other hand, the service experience from a rank and hail journey would have a greater impact on the Industry brand ie "Brand Taxi" rather than a specific brand (in general terms).

In many cases (not all), Taxi Service Providers run their Booked Fares in alignment with the maximum fares for rank and hail (apart from booking fees and other surcharges which may apply from time to time). This is to give passengers financial certainty and peace of mind when using Taxis. For example, little old Mary from country NSW, ensures that she leaves \$15 in her wallet to get home after she completes her shopping. Mary knows that it is going to cost her somewhere between \$12-15 to get home – regardless if she books or catches the Taxi from the rank.

Taxi Ranks play an important role when differentiating between booked fares and rank & hail fares. Firstly, a Hire Vehicle is not permitted to park, stop or pick up a passenger from a Taxi Rank. Furthermore, a Taxi must always be "available for hire" when parked at a Taxi rank.

We see the NSW Government as custodians of the rank & hail market. This is mainly due to the fact that a person must apply through the Point to Point Transport Commission for a Taxi Licence in order to provide rank and hail service. This is a further argument as to why rank and hail fares must remain regulated. There is also perceived value, trust and legitimacy with the members of the public when the Government is setting a maximum fare for rank and hail.

As noted previously, in most Country towns, the rank is still used for Taxis to queue and wait. Eg Pub rank. People can see Taxis (visibly) when parked at the rank. Taxi Ranks in the Country and Regional areas are seen as a safe place for people to access transport, with Taxis acting as a beacon. This also applies to many ranks in the City.

3. What changes have you seen that impact services, costs and prices since the 2017 regulatory framework came into effect?

Since the regulatory framework came into effect in 2017, we have seen a significant increase in costs to operate as well as an increase in the cost of living. Taxi drivers and operators have not had a justifiable increase on their earnings since the last major review of fares in 2014.

This issue is better explained in the table below. Based on our calculations, if Fares were adjusted each year in accordance with CPI, the maximum fare for rank and hail should be approximately 28% higher today, than what it was in 2014. However, Taxi fares have only increased by 4% in the entire period. In fact the 4% increase which was provided in January 2023, was a fuel adjustment relief, rather than a fares adjustment.

Table 1: CPI Annual Index from 2014-2023

Year	CPI Rate
2014	2.5%
2015	1.7% (CPI)
2016	1.5% (CPI)
2017	1.9% (CPI)
2018	1.8% (CPI)
2019	1.8% (CPI)
2020	0.9% (CPI)
2021	3.5% (CPI)
2022	7.8% (CPI)
2023	4.1%

It has been well noted that Costs to operate a Taxi are far greater than Rideshare costs. Evidence to support this include the following examples;

Taxi Registration

The cost to register a Taxi with Service NSW has increased from \$737 in 2014, to \$926 in 2024. This is a significant increase by over 26%. (based on data supplied by Greater Sydney Taxi Network)

A Rideshare vehicle only pays the same amount as a Private vehicle Registration (when not declared as Rideshare use).

Recommendation 3: The NSW Government to introduce tougher penalties for mis reporting vehicle use on Registration of vehicle.

Compulsory Third Party (CTP) Insurance

The cost for a Taxi to have CTP cover has increased from \$3,055 in 2014, to \$3,649 in 2024. This is an increase by almost 20%

(based on data supplied by Country Taxi Network showing CTP prices from 2015 to 2024)

In another example, The cost for a Taxi to have CTP cover has increased from \$2,942 in 2019, to \$3,649 in 2024. This is an increase by 24%

(based on data supplied by Greater Sydney Taxi Network showing CTP prices from 2019 to 2024)

A Rideshare Operator/Owner is only required to pay the base premium amount equivalent to a Class 1 private vehicle. The ongoing distance rate is charged to the passenger and collected by the Rideshare Service Provider.

Recommendation 4: Taxis and Rideshare to be placed in the same class for CTP, with both sectors paying the same amount.

Comprehensive Insurance

A country Taxi Network with a fleet of three Taxis and three Rideshare vehicles obtained a quote for comprehensive insurance for the two vehicle types – both types doing same amount of kilometers, same drivers, same line of work.

Cost to insure three Taxis – \$10,080.24

Cost to insure three Rideshares - \$4,834.46

The Taxi Network has now taken their Taxis off the road (with the exception to 1 wheelchair Taxis and are choosing to only operate the Rideshare vehicles). This is becoming common practice across NSW.

We also have reports of many comprehensive insurance policies not covering Taxi Demurrage. Operators are being forced to take out additional coverage for Demurrage, inflating premium costs further.

Recommendation 5: The NSW Government to introduce tougher penalties requiring Rideshare to accurately report vehicle use for insurance purposes.

Workers Compensation Insurance

It is a mandatory requirement under the Workers Compensation Legislation for a Taxi Operator to take out cover for a driver who bails a Taxi from the operator. Workers compensation can cost over \$2,000 per vehicle.

There is no requirement for a Rideshare Operator to take out workers compensation to cover any drivers who take out a Rideshare vehicle.

Recommendation 6: The NSW Government to amend the Workers Compensation Legislation to include Rideshare.

Other Costs

Other costs associated with Operating a Taxi which have shown significant increases include;

- **Fuel Costs** are estimated to have doubled from 2014 to 2024. See below for average fuel prices from 2014 to 2024;
 - 2014-2015 \$1.30- \$1.40 per litre
 - 2016-2017 \$1.40-\$1.50 per litre
 - 2018-2019 \$1.50-\$1.60 per litre
 - 2020 – Covid Pandemic
 - 2021-2022 \$1.70 per litre
 - 2023-2024 \$1.85-\$2 per litre

Based on the average cost of fuel noted above, fuel costs have increased by an estimated 43% from 2014 to 2024. Furthermore, it is worth noting that in country NSW, there is no discounted fuel.

- **Vehicle Purchase cost** – a brand new Toyota Camry Hybrid is estimated to have increased from \$33,000 (pre-covid) to \$42,000 (estimated increase of 27%)
- Covid impacting new vehicle orders, resulting in **Used car prices** being inflated
- **Hybrid cost versus fuel cost** – Battery replacement calculated at \$1,000 per year. (estimated cost of \$3,000 over 3-4 years)
- Costs for **panel/body repairs** for vehicles have increased significantly.

- Vehicle Servicing, Maintenance costs as well as Vehicle parts have increased significantly. Report of a Taxi requiring a new engine at an estimated cost of \$15-20,000. The decision was made to retire the vehicle and invest in a new car.

We understand that IPART will be undertaking separate research to understand operating and running costs for a Taxi. This will be done via an online survey. We look forward to understanding further results from the survey.

Network Costs

Since the introduction of the Point to Point Transport Regulations in 2017, industry has seen a significant amount of costs and red tape shifted across from Government. The intention of the reforms was to remove costs and red tape out of Industry's way. All we have seen is that cost shift over to Industry, in fact almost doubled from what it was when it was with Government. Examples of these costs include;

- Cost of Compliance
- Cost associated with preparing, completing and follow up of an audit
- Cost to comply with all the requirements of collecting, remitting and paying the Passenger Service Levy. There is also a cost associated with carrying the risk of drivers or operators not paying. The Network is held responsible under the "Taxation Law"
- Cost associated with On Boarding of drivers
- Cost of conducting ongoing checks on drivers
- Authorisation Fees for Taxi Service Providers

Recommendation 7: The NSW Government to conduct a full review of the costs incurred by Taxi Businesses since the introduction of the Point to Point Transport Regulations (2017)

What other factors have changed since 2017?

Taxi Service Providers in Country and Regional NSW have a long standing commitment and expectation to ensure their services are available at all hours of the day/night. From a financial perspective, there was always

a view that services could continue to operate even on the quieter days/nights of the week eg Sunday – Wednesday, as the peak period later in the week/weekend would offset any shortfalls.

Unfortunately, with over 2,300 Authorised Service Providers operating across NSW, including many country and regional towns, the viability for many Taxi Service Providers to continue to service the quieter periods is diminishing. The main issue is that many other Service Providers are operating either 9am-5pm or only coming out during the busier periods, taking away the ability for a Taxi operator to offset the quieter periods. Furthermore, Taxis are also having to compete with other services such as Community Transport, NDIS Transport Providers, On Demand Buses, Local Courtesy buses operated by Local Clubs/Pubs, as well as other services being operated by HealthCare and Aged Care facilities.

In addition to the level of competition growing, many country towns have seen a significant reduction in passenger demand. This is due to many businesses such as Pubs, Clubs and other major venues either closing much earlier (even on a Friday/Saturday night), or in many cases closing their doors permanently.

Unfortunately, these factors are placing further pressures on Taxi Businesses ability to maintain services during the quieter periods, resulting in either reduced services, or in some instances removing services all together. We will discuss these issues in more detail at question 4.

Furthermore, the recent changes in the regulations around areas of operation is placing many towns at risk of not having a service during certain times. This is the result of drivers choosing to leave their core town to go to other areas due to increased demands, events etc. Unfortunately, the TSP is limited with any controls to try and prevent this from occurring. The risk with this is leaving a town without a service during the more vulnerable periods eg emergency following a late night incident.

Recommendation 8: The NSW Government to conduct a full review to understand the impact on Taxi demand and supply across NSW since the introduction of the Point to Point Transport Regulations (2017)

It must be noted that the Driver shortage issue has seriously hampered the ability for Taxi Service Providers to put out all vehicles within their fleet into operation. There are reports that many towns are struggling to even have three Taxis out on a Wednesday night due to the lack of drivers available. This issue can even go as far as a Friday night, a major country town only able to operate nine out of nineteen cars due to driver shortage.

Another example is a popular country town which attracts tourists on an ongoing basis. There are a total of 9 vehicles within this fleet, however on many occasions, the TSP is only able to put out 3-4 vehicles due to driver shortages. In another country town in the South West, the TSP had 150 drivers pre covid, today there are only 60-70 drivers.

4. Is the cost of providing taxi services increasing, stable or declining? What evidence is there that costs are changing?

The cost of providing Taxi services is definitely increasing.

The main contributing factors driving the increased costs are;

- Increase in cost factors outlined in question 3, including – Vehicle Registration, CTP Insurance, Comprehensive Insurance, workers compensation, Fuel, vehicle purchase, vehicle service, maintenance, repairs, Network costs and increase in cost of living.
- The costs associated with Taxi Service Providers and Operators having to fund to incentivise Drivers to cover shifts during the quieter/very low demand periods.

It is important to note that Taxis operate more than a 9am to 5pm service. This means that Taxis are providing transport options to people at times when other transport providers are not operating. Many Taxi Businesses operate a 24/7 service. This has been a long standing commitment that Taxi businesses have for their local communities. This commitment is a really important one – whether it be a Taxi is waiting outside a pub to ensure that the last patron coming out at 3am doesn't drive, or the late night emergency call to help remove a person from a dangerous situation to a safe place eg domestic violence incident. There have been cases where people in Country towns may contact the Taxi business for a medical emergency, because they know a Taxi could get to them sooner than an emergency vehicle. These scenarios are all at risk with TSP's being forced to cut back or remove services at certain times.

Unfortunately, it is becoming harder and harder for Taxi Businesses to continue to subsidise and fund services to continue during periods when there is very little to no demand. This becomes even more problematic for

patrons who may have little or no other option for transport eg a person who uses a wheelchair and relies on their local Taxi to pick them up. We unpack this issue in more detail at question 9.

Taxi Service Providers are reporting the need to pay up to \$100 over and above what a driver earns through the fare box, just as an incentive to operate a wheelchair vehicle. There are also reports of Operators (including Networks) cutting their bailment commission to help fund the cost for a driver to go out. This could be between 10-20% cut in their commission split, impacting the overall earnings potential, making it less viable and unaffordable for the TSP to maintain a service.

Recommendation 9: The NSW Government to conduct a full review to understand the financial cost required to maintain services in Country/Regional towns where funding is required to ensure that a service is available.

Taxi Operators in the Greater Sydney region are also having to cut their pay in rates, just to ensure their Taxi is not sitting idle on the side of the road – this is assuming they can find a driver. There have been reports of up to 25% of the Sydney Taxi fleet sitting idle due to shortage of drivers. Taxi Operators are still required to pay all expenses required to keep a Taxi registered and insured if they intend to bail the Taxi to a driver. These costs still need to be covered, even if the vehicle is not in operation ie sitting idle.

Recommendation 10: The NSW Government to conduct a review to understand the financial support required to assist Taxi Operators to help subsidise costs of Insurance and Registration to ensure sufficient supply of Taxis to meet demand.

5. Are current fare levels too low, too high or about right?

The current levels for Taxi fares for rank & hail are too low.

As noted earlier and with the evidence illustrated in the CPI Index table, Taxi fares have not kept up with increased costs to operate and increased cost of living, at least since 2014.

In another example relating to another Industry, the Australian Criminal Intelligence Commission (ACIC) recently approved for Providers of Criminal History Checks to implement a price increase of around 20%, because prices had never been adjusted/reviewed since 2014.

We are not asking for a similar move, however we are simply pointing to the fact that the Taxi Industry has not had a fair hearing in relation to fair and proper price reviews in over ten years. This needs to be factored into the review process.

In relation to annual adjustments for maximum fares for rank and hail Taxi services, there needs to be a process where rank and hail fares are reviewed annually, in line with other fare adjustments. Specifically, align the timings of fares adjustments to be the same as Trains, Ferries, Buses and Light Rail ie 1 January each year.

We encourage for IPART to develop relevant instruments and measures that are simple and fair when reviewing fares, in the similar manner they use to determine public transport fares adjustments. It must also be noted that Taxi Drivers and Operators, unlike public servants or those working in the private sector, do not enjoy an annual increase to their salaries/wages.

Furthermore, a fare increase in Country NSW, generally means that a Taxi Operator can also benefit towards helping meet the increasing costs to Operate. This is due to the bailment arrangement between an Operator and Driver being a commission split of the farebox in most cases. Hence an increase in farebox revenue, means a potential increase to both Driver and Operator earnings.

Recommendation 11: Taxi Fares to be reviewed annually with adjustments to be aligned with other public transport fares for 1 January each year.

For the purpose of this review and with the implementation date being 1 July 2025, the NSW Taxi Council and the Country Taxi Operators Association are making the following recommendations for each of the fare structures for Urban and Country as follows:

Urban Fares

- Hiring Charge of \$3.60 - Propose to leave as is.
- Peak Time Charge of \$2.50 – Propose to remove.
- Distance Rate of \$2.29/km - Propose to increase to \$2.49/km (8.7% increase)
- Night Rate of \$2.73/km - Propose to increase to \$2.93/km (7.3% increase)
- Night Rate currently effective from 10pm-6am – Propose to change to the following, from 7pm to 6am.
- Wait time of \$56.68/hour – Propose to increase to \$60/hour (5.9% increase)
- Propose to introduce a 10% surcharge for Sunday and Public Holiday
- Propose for the Night Rate to apply from 7pm on a Friday through to 6am on a Monday.
- Maxi Tariff – Currently charged at 150% of standard fare and applies to 5 or more passengers. Propose to leave as is, however change to apply to People Movers only (define as a 7 passenger vehicle minimum, including driver or 6 passengers plus driver).

Recommendation 12: IPART to recommend adjustment to the Urban Fares Order for 1 July 2025 as proposed in the NSW Taxi Council Submission under “Urban Fares”.

Country Fares

- Hiring Charge of \$4.10 - Propose to leave as is.
- Distance Rate of \$2.36/km (for first 12km) - Propose to increase to \$2.48/km (5% increase)
 - Note that majority of country fares would be within 12km distance.
- Distance Rate of \$3.23/km (thereafter) - Propose to increase to \$3.36/km (4% increase)

- Night Rate of \$2.81/km (first 12km) - Propose to increase to \$2.95/km (5% increase)
- Night Rate of \$3.85/km (thereafter) - Propose to increase to \$4.00/km (4% increase)
- Night Rate currently effective from 10pm-6am – Propose to change to the following, from 7pm to 6am.
 - Leave the current Sunday and Public Holiday surcharge rate as is (per the above proposal to night rate)
- Wait time of \$57.65/hour – Propose to increase to \$60/hour (4% increase)
- Propose for the Night Rate to apply from 7pm on a Friday through to 6am on a Monday.
- Maxi Tariff – Currently charged at 150% of standard fare and applies to 5 or more passengers. Propose to leave as is.
 - Consideration for future technology to be introduced adopting sensor technology for seating, allowing fare calculation devices to determine number of passengers seated.

Recommendation 13: IPART to recommend adjustment to the Country Fares Order for 1 July 2025 as proposed in the NSW Taxi Council Submission under “Country Fares”.

- Propose for IPART to make a recommendation to round up fares to the nearest \$0.10 cents for payments using cash.

Recommendation 14: Propose for fares to be rounded to the nearest \$0.10 cents when passenger is paying using cash.

In addition to the proposed changes to the fare schedules, we are suggesting for IPART to recommend that the NSW Government introduce Regulations requiring meters to be locked down to dispatch systems and payment devices connected via Bluetooth enabler, removing ability for Drivers to manipulate the fare.

- Provide ability for TSP to have some flexibility with set fares for account work etc.

Recommendation 15: IPART to recommend the NSW Government introduce Regulations requiring meters to be locked down to dispatch systems and payment devices connected via Bluetooth enabler.

Driver Earnings Case Study – Regional NSW (Appendix A)

Refer to Appendix A for actual figures provided by a Regional Taxi Licence Holder (Operator) connected with a Regional TSP showing real earnings for a Driver. Details have been de-identified.

6. Maximum fares for rank and hail are currently set using fixed components including a hiring charge, distance rates and waiting time rates. Do you have suggestions for an alternative approach?

The current methodology and components used to define the maximum fares for Rank & Hail seem to be working well and therefore we propose to maintain the current methodology. Noting the proposed changes/enhancements listed in question 5.

Sydney Airport Precinct

The NSW Taxi Council, in consultation with Members, Industry Stakeholders and Sydney Airport is leading a number of initiatives being explored for the Sydney Airport precinct. These initiatives are aimed at helping improve overall passenger experiences, improve driver engagement with passengers as well as improving driver earnings potential (minimizing down time etc).

We request that IPART note the work being led by the NSW Taxi Council and Sydney Airport and also note that we have intentionally left this out of this submission as these initiatives/programs are ongoing. There may be a requirement at some point for the NSW Taxi Council to further engage with Government and other Agencies for further support and changes required to implement a number of initiatives, which may take place outside of this review process.

7. Pre-booked fares can vary depending on supply and demand conditions. Should maximum fares for rank and hail services also be allowed to vary depending on local conditions?

There is a view that there needs to be more flexibility built into the fares structure to help encourage the supply of Taxi services to be operating during periods of peak demand. This may include major events such as New Years Eve, Vivid Festival, Bathurst Races etc.

There would need to be a measure/mechanism which clearly defines where and when this variance may apply, to ensure consistency and compliance of such activity.

We are proposing for a maximum surcharge of \$20 to apply during a defined major event period, conditional that the passenger is being picked up at a designated Taxi Rank (permanent rank or special event rank) or within a defined Geo-Fenced perimeter of the event (in the case that a Taxi rank may not be operating). We would propose that the location for pick up is GPS plotted into the meter to automatically pick up the charge. The applicable surcharge for a particular event would need to be specified and communicated to Drivers and TSP's prior to the event. The NSW Government could also include this information on the Transport Info event pages published online.

Events across NSW would need to be categorized according to the expected size of the crowds attending. For example the surcharge would only apply to a Category 1 event, which attracts a crowd of 35,000 pax or more.

Consideration would need to be made for people with a disability to understand whether they will be impacted as a result. Does the surcharge need to also apply to people with a disability to avoid drivers from picking or choosing their fare based on a surcharge incentive?

We believe this strategy would be an appropriate incentive to attract drivers to undertake more shifts and attend locations/venues where there is high demand, as long as they are operating within their Service Providers safety management policies and procedures eg fatigue management.

Recommendation 16: Allow for surcharge of maximum \$20 to be applied at nominated special events conditional that the passenger is being picked up at a designated Taxi Rank (permanent rank or special event rank) or within a defined Geo-Fenced perimeter of the event (in the case that a Taxi rank may not be operating).

Many rank and hail fares in Country towns may occur between 11pm and 4am or during special event periods. There is also a suggestion to introduce a maximum \$15 surcharge fee during late nights in certain country towns (from 11pm to 4am). This could apply on certain nights in nominated towns, or during certain events as noted above. The surcharge would need to be applied for by the TSP and must be manually/electronically implemented into the fare calculation device by the Meter Provider. Note this is a proposed maximum and the TSP may choose to charge less than the maximum fee.

Recommendation 17: Allow for an optional surcharge of maximum \$15 to be applied at nominated Regional locations between 11pm to 4am. To be managed between the TSP and the Meter provider.

8. There are currently two fare zones ('urban areas' and 'country areas') in TfNSW's fares order. Should there be different zones and why?

Yes, there needs to be two fare zones maintained – Urban and Country.

Each fare structure is relevant and structured according to the zone that it applies to. For example, many trips in the country/regions require the driver to leave their principal area of operation, meaning they have to travel back additional kilometers to return to their town. In most cases the driver returns with no fare ie dead running.

Furthermore, it has been well noted that the size of the rank & hail market is markedly different between Urban and Country, therefore the two zones will need to be treated differently.

It is also evident that the two fare zones need to be maintained as there may be occasions where adjustments to fares in the future could vary by application based on the location ie Urban versus Country. Furthermore, there may be a case where fares need to be adjusted in one zone, but not the other due to market conditions, competition factors etc.

Recommendation 18: Maintain two zones for Rank & Hail Taxi Fares, for Urban and Country.

9. What factors are impacting the sector's willingness and/or ability to offer wheelchair accessible taxi services?

We have seen WAT services in NSW reduce significantly over the past few years. The cause of this is not one simple issue – it is a multitude of factors that have taken place over the past few years, in fact going as far back as November 2017 when the Point to Point Transport Regulations (2017) were introduced - replacing the previous Passenger Transport Regulations (2008).

This has since been further compounded by other factors including, Covid, Government decisions impacting market and commercial conditions, leading to the issue of viability and lack of incentive to run a WAT vehicle.

Unfortunately, all of these changes are having a significant impact on the overall passenger experience, resulting in extended waiting times, in some cases a matter of hours or failure to provide the requested WAT service. The sad reality is that this is impacting the ability for many WAT passengers from attending an event or important family gathering, such as Mothers Day/Father's Day, or sadly missing out on attending the funeral of a loved one.

At a National Taxi Conference, it was reported that up to 30% of people with a wheelchair do not leave their homes (nationally). This is most concerning, and we need to do better, as a nation.

The responsibility for addressing this serious issue does not sit with one part of the sector alone. It requires a whole of Government, Industry as well as the Disability sector to come together and work on practical solutions moving forward.

As Chair of the Disability Reference Group, the Taxis NSW CEO wrote to the NSW Transport Minister in late June 2023 requesting for an urgent taskforce to investigate the problem of WAT services in NSW. The letter was co-signed by the CEO's of various Disability Organisations.

To that end, we were pleased to see the NSW Government establish a series of roundtables across NSW, looking to address this problem. We are waiting for an outcome/response from the roundtables consultation report and we look forward to hearing from the NSW Minister for Transport shortly.

What have been the issues impacting the WAT Services

(i) Changes in Regulations

- o A driver cannot start the meter until the passenger has been loaded and the vehicle is ready to transport the passenger ie, Drivers are not paid for waiting time, or time to load or unload WAT passengers
- o The removal of the Regulation requiring a WAT to be operating 7 days a week between 8am-6pm

(ii) Covid Pandemic

- o We saw many WAT vehicles and drivers come off the road and we have seen a significant number of drivers not return due to their own concern around risk (many of these would be older drivers with many years of experience)

(iii) The approved Centralised Booking Service (CBS) is not integrated with Taxi dispatch systems

- o Taxi drivers have one system to manage all the jobs they have access to, yet the Wheelchair Book & Ride system sits outside of that.
- o Drivers are required to manage two different processes/systems – not practical
 - Logging On/Off
 - Placing off duty when not available, then on duty when available each and every time
 - Following all the steps from accepting a job to dropping the customer at their destination.
- o An integrated system allows for improved compliance and enforcement by Service Provider.
 - If you remove access to the Driver from the main system, the driver loses access to all work.

(iv) Lack of Incentive to Operate a WAT

- Historically, there was perceived value in the Government issued WAT licences at no cost. Particularly during the earlier period (up to around 2015/16) where it could cost up to \$30,000 to lease a non- Wat's plate. Today, any person can apply for a non-WAT licence from the Government for \$200 per year. There is no longer any perceived value in the free Licence for a WAT.

(v) Significant Costs to Operate a WAT

- o It is quoted to cost in excess of \$100,000 to put on a WAT vehicle (with modifications, on road costs etc)
- o The WAT Loan available by the NSW Government was paused for well over 2 years and only just made available again in late August/September, 2024.
- o WAT Operators have to deal with the ongoing cost to run and maintain a WAT vehicle. There are significant costs in maintaining a WAT over and above a Non WAT. These includes – ramps and hoists, ancillary and equipment, Baby Capsules/Child Seats, insurances, increased fuel and maintenance costs etc.
- o There have been increased costs to run a WAT in relation to Insurances and Registration
 - We are seeing more and more WAT vehicles come off the road or convert to PVH vehicles in order to pay lower costs for CTP, Comprehensive insurances, Workers Compensation (not required for Rideshare) and Registration fees – saving to the tune of over \$7,000 per annum.

(vi) WAT Driver Incentives are insufficient

- o Whilst we appreciate the fact that the lift fee for WAT Drivers was increased from \$7.50 to \$15 (exc gst) a number of years ago, this amount is no longer sufficient to attract and retain drivers due to the following;
 - Many WAT passengers do not attract the lift fee as they are not registered as M50 TTSS participants
 - A significant number of WAT jobs being covered do not involve TTSS participants. In particular, Nursing Homes, AGED Care Facilities, Interstate participants, Airport trips involving WATs.
 - The lift fee in NSW is amongst the lowest rate in comparison to other states in Australia. ie QLD - \$25 for each WAT trip (\$50 per WAT trip on Christmas Day), VIC \$28.40 per trip or \$11.55 for loading a Wheelchair that is not M50, NT \$20 for each WAT trip in a wheelchair, SA & TAS \$25 lift fee plus a location based trip subsidy between \$10-16, WA \$10-12 (8am-6pm) then \$30 (6pm-8am).

(vii) More Enforcement Required

- o There is too much reliance on the Service Provider (SP), with minimal power whilst there needs to be more enforcement powers given to the Regulator.
 - There is a need to integrate the technology to allow Service Providers to take sufficient action. Having separate systems is allowing some drivers to fly under the radar and making it more difficult for SP to enforce.
- o There needs to be a review of the approach around Compliance with the view to return to a WAT preference and minimum KPI framework with serious consequences for failure to comply.

(viii) Support for WAT Training Required

- o There is a concerning low rate of interest from drivers to become WAT Accredited
 - There is a perceived view that the system is broke and there is a lack of incentive to join
- o Prior to the Point to Point Transport Regulatory environment, the NSW Taxi Council in Partnership with TfNSW was delivering the WAT Training program. 13Cabs was also involved at the time. During this period, we would see up to two courses delivered each month with the maximum of 12 drivers in each course, for Sydney alone. Today, we would be fortunate to see 12 drivers in a full quarter.
 - TfNSW previously subsidised the drivers training fee ie if a Driver was competent, TfNSW would rebate the full cost of the training
- o The RTO would also receive funding, in the form of a rebate to help run the program.
- o As we see more of an aging driver demographic evolve, we are seeing challenges around the impact this is having on drivers ability to competently perform some WAT tasks eg getting on and off a hoist unassisted.
 - A lack of new drivers coming through is seeing the pool of drivers shrink significantly.

(ix) Country Taxis no longer viable to run a WAT

- o Prior to the changes within Point to Point, a Taxi Business in Country NSW could operate a WAT during the quieter period of the week ie Sunday-Wednesday night, especially during the late hours of the night – even if it meant only picking up 1 or 2 wheelchair passengers during the whole night.
 - This was offset/subsidised by the busier periods of the week ie Friday and Saturday nights. This would make up for the shortfalls of the quieter periods.
 - Unfortunately, it is no longer viable for these Taxi Business' as they have seen their busier nights eroded by the emergence of Non Taxi Services, including – Rideshare/Private Operators, Courtesy Buses, Private Transport growing in Nursing Homes, Aged Care Facilities, NDIS, reduced Govt Contract work (DVA and ASTP), other Govt Funded services eg Community Transport.
 - Taxis have had to compete with other Govt Funded services/Programs, whilst there has been no funding provided to Taxi Businesses – Taxis have always funded themselves, even if it meant at a loss as part of their ongoing commitment to their local communities. Many have come and gone, however Taxis have remained (in most cases). This is no longer sustainable and we will see more and more Taxis close down, leaving towns without any service.
- o A number of Taxi Service Providers have had to pay drivers/operators over and above fees to encourage them to operate or put on a service to ensure the service is available at various times. This is no longer sustainable.
- o There are a number of Country Towns that would contact their Taxi service during late night for a medical emergency (not the local ambulance) because they know that the Taxi would arrive much quicker than the emergency service.

NSW Taxi Council Recommendations to Help Improve WAT Services;

1. Integrate the Wheelchair Book & Ride service with the current Taxi Dispatch systems
2. Re-introduce Regulation requiring a metropolitan WAT to operate 7 days a week between 8am-6pm.
3. Greater enforcement for Non Complaint WAT Drivers and Operators
4. Introduce a WAT Operator Loan up to \$100K, including a Government grant of up to \$50K to put on a WAT and for ongoing maintenance
5. Increase the WAT Lift fee for WAT Drivers to \$25 per Wheelchair trip, payable on all Wheelchair trips (regardless if M50). The Lift fee to increase to \$50 for all WAT trips completed between 10pm-6am.
6. TfNSW to administer the WAT training in partnership with Taxis NSW, including a Rebate of 100% of course fee to be paid to competent students and RTO to receive subsidy to help run the training
7. NSW Government to provide funding to Country Taxis in NSW to maintain WAT services during the weeknights.

Recommendation 19: IPART to recommend to the NSW Government to adopt the NSW Taxi Council 7 Point WAT's Action Plan to help improve WAT Services

10. If you are a taxi driver, do you ever have trouble getting passengers from ranks, or from street hails? Do you have to wait for long periods before getting a passenger in either of these ways? What do you see as the main issues?

Taxi Ranks play an important role for Drivers and Passengers. Taxi Ranks can provide a safe, secure and convenient environment for passengers and drivers. Ranks are generally well lit, sheltered and a number of Taxi ranks across NSW have CCTV cameras and Secure Guards Operating late nights on Fridays, Saturdays and on the eve of a Public Holiday.

Taxi Ranks also provide an opportunity for Taxi Drivers to rest, as well as not having to drive around looking for their next fare. This also has a benefit to the environment and helps reduce costs such as fuel and maintenance.

Unfortunately, we have witnessed time and time again, cases where the passengers can influence the pick up location, even if there is a Taxi rank nearby. It is evident that passengers are looking for instant pick up, based on where they are. This is more prevalent during busy periods, or during the egress of an event. There may be a queue of passengers at a Taxi Rank accessing Taxis, and some passengers choosing to try and hail a Taxi instead of walking up to the rank. This can typically happen when the passenger is at a “No Stopping” or other location where it may not be safe or legal to stop. Our preference is to always encourage Drivers to head to the Taxi rank as the safer option.

We would like to see more legal pick up/drop off zones for Taxis. This may include increasing the number of Taxi Ranks as well as increasing the number of locations with a “No Stopping, Taxis excepted 1min” zone. This issue becomes even more problematic for a person with a disability. Dropping them off as close to their appointment or venue can sometimes be an issue.

There is another issue being experienced in the City of Sydney with the installation of Cycle Lanes across the CBD and fringe areas. Unfortunately, the cycle lanes have led to the removal of kerbside access for passengers trying to hail a Taxi, as well as resulted in unsafe/dangerous practices when passengers have tried to get into a Taxi. The NSW Taxi Council is supportive of active transport to help promote well being and health choices, however there needs to be a more sensible policy when it comes to implementing these practices and the impact this has on members of the public, transport providers and local businesses.

Recommendation 20: IPART to recommend to the NSW Government to conduct a review to understand the impact Cycle Lanes have had on passenger pick up/drop offs

Finally, there is an opportunity to get more passengers back into Taxis more often. Particularly when a Taxi rank may be occupied with vacant Taxis, ready to transport the next passenger, yet there are passengers standing on the corner with their smart phones choosing to wait for their next ride. We need to understand the drivers/influences of this behaviours and how we can look to improve the utilization of Taxis, as an extension of the Public Transport Network.

Taxi Ranks provide passengers with a sense of certainty, being able to access your transport service to get you where you need to be.

11. If you are a taxi passenger, do you ever have trouble catching taxis from ranks, or hailing taxis from the street? Have you experienced fare refusal or other problems? What do you see as the main issues?

Whilst this question is intended for passengers to respond, we would like to remind members of the public to report any fare related issues including fare refusals or overcharging by contacting the Point to Point Transport Commissioner's Fare Related Hotline on 1800 500 410.

CONCLUSION

Fares for Rank & Hail for Taxi Services in NSW must continue to be Regulated.

There is clear evidence that costs to operate a Taxi business have increased, along with the cost of living issues. Taxi Drivers, Operators and Service Providers have not had a fair and equitable opportunity to have the appropriate support to continue to meet these costs. Whilst there has not been a full and comprehensive review of the maximum fares for Rank & Hail Taxi services in NSW in many years, there is now an opportunity to get it right.

The NSW Taxi Industry will always be committed to ensuring that Transport Services are available at all times, where and when possible. This commitment extends even further for those who may be disadvantaged because of a disability, or other factors such as socioeconomic reasons. It is vital though that further support is provided to Taxi Businesses to ensure that services can continue, particularly in those areas where Taxis may be one of the only forms of Transport for a Community.

The NSW Taxi Council is committed to continuing to work with the NSW Taxi Industry, Government and other Key Stakeholders, including Representatives of the Disability community, to ensure that transport services for all people continue to be available, safely and reliably.

We would be happy to provide any further information if required as part of this review process.

Please see below contact information relating to this submission;

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APPENDIX A

“Driver Earning Case Study” – Taxi Business in Regional NSW

The information provided in Appendix A includes real data reflecting an actual TSP, Operator and Driver Scenario, in a Regional town in NSW.

Whilst the report includes certain views and statements, these points are made by the owner of the case study report and are a representation of the owner of the report, rather than the views of the representatives/stakeholders noted in the NSW Taxi Council consultation process informing this submission.

APPENDIX A

“Driver Earning Case Study” – Taxi Business in Regional NSW

2023~24 Taxi Viability for XXXX Cabs

4/8/24

This document has been written by XXXX the chairman of the XXXX Cabs XXXXX.

The following information was compiled by me from the turnover records of the XXXX taxi fleet and outlines the grim reality of the taxi business in XXXX 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 playingfield. In reality the regional industry has been decimated 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 XXX (Taxi Service Provider).

The industry assistance paid to this XXXX members has done little to provide a respectable financial exit from the industry with those who have left realising a capital loss of approximately \$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 that's required and provide the bailee drivers and owner operators a sustainable income competitive 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 IPART are considering these matters they need to seriously consider allowing the industry to adjust their rates to a market driven business model that provides sustainable capital investment and sustainable income streams for the investor owner and the bailee drivers.

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

Diagram 1.

Average Hours per Shift	12:32:00 PM	This date is from the records of XXXX 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 XXXX 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 per Shift \$ 12.51 Per Hr
Net Income A/T	<u>\$ 154.14</u>		
Five shifts /week	60Hrs / wk	\$ 770.70	Net A/T per Wk

Tax paid on this shift total is 14.02%.

The above demonstration of this regional taxi drivers income 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 a regional taxi drivers income 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 XXXX Cabs business activity that is comparable with the regional cities and a medium to large town fleets of NSW

The only alternative the industry has is to charge a higher fare rate under the 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. This would mean that passengers would need to pay significantly more than the metered rate (maximum fare), which is generally the amount many TSP's in the region choose to charge their passengers.

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 tradesmen 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
!st 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	/ Av 12.32		
Income Tax @19%	\$	66.63	Gross \$ per Hr	Hrs per Shift	\$ 31.31 Per Hr
Net Income A/T	<u>\$</u>	<u>284.05</u>	/ Av 12.32		
			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 12 kilometer distance. Most rank and hail fares are only two to five kilometers 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/fare calculation devices/tariffs 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 (our area) 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.

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 community.

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 Taxi businesses cannot get enough people interested to manage the administration duties and serve on the boards for little or no reward. The Taxi Businesses 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 TSP's are restricted 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 decimation 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 TCXXX of XXXX

fleet. 2023~24 Cost of Business TC XXXX

Toyota Hybrid Camry sedan.

Base Fees	\$	2,320.56		
Call Centre Fees	\$	11,481.24		
Registration	\$	879.00		
Greenslip	\$	3,749.00		
General Insura	\$	3,810.87		
Workcover Ins	\$	1,209.84		
Point 2 Point	\$	201.00	\$	23,651.51
Taxi Fuel	\$	5,830.10		
Taxi Tyres	\$	383.00		
Taxi Service	\$	316.43		
Taxi Maintenan	\$	244.85		
Other Parts	\$	525.17		
Uniforms	\$	266.75	\$	7,566.30

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.

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.

Conversions

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.