

The Chairman
iPart Review of Sydney Taxi Plates

My family have been in the taxi industry in Sydney and country NSW for 20 years.

During that time the challenges of maintaining a viable small business have been difficult.

There are a number of factors including the increasing number of permanent and restricted plates has reduced the total operating income, the fixed costs for annual licences and insurance have increased significantly, fuel costs have increased and it has been difficult to secure drivers when there are longer hours and less income.

As our senior family members have retired and no longer drive we have leased the plates to a taxi company to manage. The income from leasing has barely increased in the last 5 years against the background of rising inflation.

I believe that the NSW Government does want a viable, efficient taxi service for the public.

However, by simply increasing the number of licence plates with the intention of causing sale prices and leasing prices to fall will only cause the taxi industry to fail. In that case the customer will suffer from fewer vehicles at off peak times and longer waiting times for booked work.

Increasing the number of taxi plates will cause values to fall and this will in term reduce the operating income to all owners/drivers, reduce the amount of money on vehicle maintenance, greater availability in the busy periods and fewer cars doing booked or off peak work.

The evidence from the licence plates returned and the customer survey confirms that:

1. The **owners** consider the business marginal, otherwise why would they return their plates or seek to renew new licences at lower cost
2. The **customers** have said in the Taverner Report that they consider that the high cost of fares to be the real issue. 67% of surveyed people said fares were too expensive to use a taxi. The satisfaction survey indicated that the fare charged created the highest level of dissatisfaction (36%) compared to concerns about waiting time/availability (16%), closely followed by lack of knowledge of Sydney (15%).

There are a number of excellent overseas examples of taxi service reform including the UK where in London all permanent licence plate holders are required to provide a disabled access vehicle, have only qualified and trained drivers who know their way around the city, and tight regulation on the safety of vehicles. In London there is a supplementary private hire vehicle service with licenced meters installed that can collect passengers on a booked service only, that is, they cannot collect from the street or from taxi ranks. This caters for the peak workload of booked work (bad weather, airport work, business bookings, and school and hospital services) and frees up the taxi vehicles for rank and street work.

What we need to do is stimulate the demand and improve the service to the taxi customer before considering issuing more plates. We should only respond to consumer demand and not to forcing down the value of plates by creating an excess supply of licences.

iPart should consider the following recommendations and actions:

- A. Replacing only the number of the permanent plates returned and set a reasonable auction reserve.
- B. Issue limited annual licences for the peak Friday and Saturday evening work to be done by private hire vehicles.

- C. Review the fares and consider reducing fares by say 10-15% to stimulate customer demand. If we can increase demand and turnover then we will have more vehicles on the road and improve the utilisation and profitability of the existing businesses. Lower fares will have a positive impact on the number of people using restaurants and bars and going out more often.

Please consider the customer and consumer in the overall solution. More cars on the road when there is limited customer demand will worsen the service to the customer.

If you look at supporting the customer by improving the service offer by having newer and better maintained vehicles (regulation), more knowledgeable drivers (training & regulation), better value for money (fare review), and better availability at peak periods (limited licence private hire plates) then we will have a more affordable and viable taxi industry that is customer focussed.