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**Subject:** NSW Taxi Council Submission to the Victorian Parliamentary Inquiry into the CPV Industry  
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Good Afternoon,

The NSW Taxi Council would like to make a submission to the Economy and Infrastructure Committee as part of the Victorian Parliamentary Inquiry into the CPV Industry.

I have attached a copy of the submission for your review.

We would welcome any further contact that may assist the Committee with the Enquiry.

Regards,

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NSW TAXI COUNCIL

*This submission is provided in response to the Victorian Parliamentary Inquiry into the CPV industry.*

# NSW Taxi Council Submission

**Victorian  
Parliamentary  
Inquiry into the  
CPV Industry**

**28 June 2019**

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## INTRODUCTION

The NSW Taxi Council is the peak body for the NSW Taxi Industry. It represents taxi networks, owners and operators, and it also advocates for better outcomes for NSW taxi drivers.

In NSW there are over 4,000 licence owners, in excess of 200 authorised taxi networks, over 6,000 taxi operators and more than 30,000 authorised drivers. Therefore the industry is the livelihood of over 40,000 people and their families.

The NSW Taxi Industry is a major contributor to the state's public transport system. It provides approximately 130 million passenger journeys 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. 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 provider to offer transport services for passengers travelling in a wheelchair. In fact, our history 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 undertaken an independent assessment of the economic contribution of the NSW Taxi Industry and has estimated the annual contribution of the industry to the NSW economy to be in the order of \$1.15 billion per annum.

The NSW Taxi Industry is made up of a complex array of providers, ranging from the licence owners (the licence being the principal legal instrument to provide a taxi service), through to operators and drivers. A licence owner may own, operate and drive a taxi, but a licence owner may also lease the taxi licence to a separate taxi operator. Authorised taxi service providers are the principal means through which taxi services are coordinated. They provide direct booking services to the public and a range of safety and other services to operators and drivers.

Authorised taxi service providers do not have a direct commercial relationship with taxi drivers. The members of taxi networks are taxi operators who pay networks a fee for use of the network's services (including its booking services).

Taxi drivers bail taxis from taxi operators and pay a bailment fee to the operator (either a set “pay-in” or a share of the takings from a shift bailing a taxi). 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 sale of licences and stamp duty on third party licence sales. It also generates other revenue through authorisation fees and indirect taxes.

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

Ridesharing operations operated illegally in NSW from approximately April 2014 until December 2015, when the NSW Government accepted 56 of 57 recommendations made by the Point to Point Transport Taskforce, which had been established to review the passenger transport industry. At this time, a significant number of regulations contained within the Passenger Transport Regulation 2007 were removed and ridesharing operations were effectively legalised.

The Act passed parliament in June 2016 and the Point to Point Transport Regulation (2017) was rolled out on 1 November, 2017.

The NSW Taxi Industry has gone through a period of unprecedented change. The NSW Government’s Point to Point Transport reforms 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 been transitioning to a markedly different regulatory environment as a consequence.

This submission focuses on the issues and challenges faced by the NSW Taxi Industry, since the introduction of the Point to Point Transport reforms.

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## NSW TAXI COUNCIL BRIEF FOR THE VICTORIAN PARLIAMENT ENQUIRY INTO THE CPV INDUSTRY

The view of the NSW Taxi Council is that neither the NSW nor the Victorian Governments have got it right from a reforms perspective.

### NSW Government Reforms of the Point to Point Transport Industry

The NSW Government's assumption that the Taxi Industry would be impacted by an estimated 10-20% following the reforms was completely incorrect with the value of Taxi Licences declining by over 80% in value, and the lease rates for taxi licences dropping by approximately 60%. Furthermore, this has placed significant burden and hardship on Taxi Licence Owners who are self-funded retirees. They have not been afforded the opportunity to transition into retirement or other plans as a result of their superannuation and savings being wiped out.

### Industry Assistance

Whilst the NSW Government committed to a \$250M industry assistance package for the Taxis and Hire Car Industries', this had very little impact on Taxi Licence owners in most cases. In fact, many industry stakeholders may not have received anything more than \$20,000 in transitional assistance payment. Furthermore, this payment was taxed by an estimated \$7,000 in many instances.

The Hire Car Industry was offered financial assistance in the form of a buy back scheme. The NSW Taxi Industry was never provided with the same level of assistance for individual Licence Owners.

## Not a Level Playing Field

There has been no limit on the number of Rideshare Vehicles in NSW. This is adding significant pressures on congestion, having an impact on service delivery, with longer trip time on customer journeys. Needless to say the impact this is having on the environment. Furthermore, we are seeing an impact on driver earnings as a result of no cap on Rideshare vehicles.

The NSW Government had committed to removing red tape from the NSW Taxi Industry and to deliver savings of approximately \$30M. It is our view that both objectives have not been achieved. In fact, the NSW taxi Industry feels that the reforms have placed more burden and red tape on to Taxi Business', and added significant costs to Taxi Business'. Examples include the collection of the Passenger Service Levy, Implementation of Safety Management Systems, On boarding of drivers and affiliates, to name a few.

## Taxi Licences

Whilst the NSW Government committed to no new Taxi Licences for four years, up to 30<sup>th</sup> June, 2020, the NSW Government adopted a policy to issue an unlimited number Wheelchair Accessible Taxi (WAT) Licences across Metropolitan and Regional NSW via an application process. This is having a significant impact on existing Taxi Business', particularly in regional NSW. In most cases, where there is already an oversupply of WATs Licences/Vehicles to ensure sufficient supply of services.

It is the view of the NSW Taxi Council that the Taxi Licence is an important instrument for anyone wishing to provide Taxi Services, and we feel that this is important moving into the future. Consequently we do not agree nor support the complete removal of property rights together with payment of unfair and unjust prices for Taxi Licences as offered by the Victorian Government.

The NSW Taxi Council is currently working with the NSW Government in developing a proposal looking at Microeconomic Reform for the NSW Taxi Industry. The proposal would include the retention of Taxi Licences into the future, via a buy back mechanism with the transfer of ownership to the NSW Government at a fair and just price to Taxi Licence Owners.

## Cross Border Harmonisation

Cross Border harmonisation is an ongoing and significant issue for Taxi Business' operating on borders of NSW and Other States.

In the case of NSW and Victoria, it is a real problem that NSW will recognize a driver residing in Victoria; however Victoria will not recognize a driver residing in NSW. This issue is providing ongoing challenges and problems for Taxi Organisations, such as Corowa/Yarrowonga Taxis in recruiting drivers because of cross border challenges.

The NSW Taxi Council attended a round table forum held in Wodonga in 2018; however there has not been any further progress since.



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## CONCLUSION

The NSW Taxi Council appreciates the time and consideration given to our submission.

We would be happy to provide any further information if required as part of this review process. The NSW Taxi Council is happy to meet with members of the Victorian Parliamentary Inquiry if required to discuss any aspects of our submission.