

e-mail received on 20/01/2008 at 10.43 pm

Dear Sir,

As you point out in the discussion paper, the reliability of data in Victoria is suspect. In NSW with the fixed rental charge there is no reason to lie about revenue.

I kept accurate hour/income records for July and August 2007, and earned \$13 an hour not including GST but before business expenses. I earn more than some because I am a very experienced driver and get to start earlier than normal change over and finish most nights around 1 am, i.e. drive the most productive hours. But I guarantee the drivers are earning \$2 an hour more than they say. Also I have to compete against drivers who are only declaring part of their income, or none at all. GST should be abolished in cabs because it penalises the honest with double tax.

My net income is around \$3 less than the minimum casual wage.

Many years ago my taxi owner was fined by the Tax Dept after it was found he was reporting less income than his drivers were. His response was to give us one weeks notice, after 11 years working for him, and lease out his cab.

I find it hard to believe that trip length has increased. All drivers report the same, that in the eighties you would get jobs City to Croydon, whereas now most jobs are under \$20. I put it down to the loss of disposable income. Also reduced taxi usage can be attributed to higher car ownership, young women are more likely to have a car now whereas in the past they used cabs.

In regard to unmet demand, there is no consideration here of traffic. In peak hours traffic is so bad you cannot get across a suburb to pick up a job. Late at night much of the work is concentrated in a very small area, people in the center of that concentration have long waits. If there was a surcharge from picking up from an authorised rank there might be incentive to deal with this demand in a more orderly way. As it is people walk off from ranks and try to hijack cabs approaching the rank, queue jumping, which leads to excessive waiting time at the Casino and Flinders St Station to name just two.

Another factor omitted is driver supply. It has been pressure from operators and networks (who profit from training drivers) that has allowed a never ending stream of poorly qualified drivers. Operators need to get past their overheads so they want the car driven 24/7. Now all shifts are filled when they never were in the past. An Australian has to have held a licence for 3 years before he can get a drivers certificate, but people coming from overseas have been able to use an international licence regardless of whether they had any real driving experience. This has since been changed to 1 years residency or passed an advanced drivers course. It is impossible to teach everything in a class, somethings require experience. All that is needed for drivers is average city driving experience, know main suburbs and arterial roads that lead to them. But people are getting into cabs where the driver doesn't know the way to the city. People's lives are factually at risk with such drivers. There are also illegal drivers where a licensed driver may allow his friends to drive, for instance if he gets the car for the whole of the weekend. So whereas Australians would set driver supply as they did in the past by supply and demand, Operators and Networks have been keen to exploit recently arrived immigrants and students to give the unproductive situation of 100% crewing even in low demand shifts. The solution is a simple one, the VTD should test drivers as used to be the practice.

So as 80% of the time worked by professional drivers is non peak, it is driver flooding that affects income more than anything.

But in regard to the fare components, the relative value of the flagfall has decreased in recent years such that if a person gets in the cab which has been waiting on a rank and wants to go local in the city the fare is trivial. Of course the cab has been waiting longer on the rank due to driver oversupply as mentioned above. For instance at \$3.10, and with \$1.30 booking fee, equals \$4.40, less half less GST equals \$2 to the driver, when a cab is booked by radio it is called ten minutes early, that equals a payment of \$12 an hour. How does this cover time between jobs? And driving in the city one is either in 40 km zones or travelling less than that in traffic and earning half of \$30 waiting time less GST equals \$13.50 and hour, still less than the minimum casual wage and not enough to cover the time between jobs. Whereas using distance rates on the Freeway it costs \$120 to Geelong, takes nearly 2 hours there and back, around \$27 an hour for the driver. You might need a break after a trip like this, and we probably should earn \$25 an hour peak earnings, but having said all that, the longer fares are subsidising the shorter fares from a driver's point of view. I would support a modest fare increase but with the fare components rebalanced around the average fare such that shorter fares go up \$2 and longer fares go down perhaps 10%. While an \$8 flagfall would probably be indicated, the market would not bear the shock. I would say at least a \$4.50 flagfall and a \$2 booking fee.

I am very pleased that the Government is at last looking at driver conditions. The Bailment agreement is worse than any AWA, and simply is a farce. It should not be separate from the wages system, as a "civil" agreement it is simply illegal. Just like AWAs drivers have no clout and get given fait accompli something to sign prepared by the taxi industry. Then it is either you want to work or not, disagree and you lose access to a cab.

If the booking fee is not increased there is no incentive to pick up radio jobs when street hails are plentiful. However as many drivers are illegally adding the booking fee to every job they pick up, this needs to be integrated with the radio, so that the booking fee can only be added to a radio job. We need a single device which is a radio, meter and gps navigator in one. Our equipment is 20 years old and completely obsolete, another reason for poor service in peak periods is that this equipment doesn't function under pressure. The Networks are run for profit when they used to be cooperatives, consequently they spend the minimum on equipment and staff.

It can be clearly seen from your issues paper that the investors are dead weight to this industry. A simple solution is to return to pre Foletta conditions, and require that investors operate a car. They could have this managed by a depot, this would be a simple reform that would simply put the investor return at the end rather than the beginning of the profit cycle. Depots would be under less pressure to work their cabs 24/7, they would just say "we couldn't get a driver for Saturday morning" and owners would have to accept the reality that other depots were probably the same. This would mean lower returns most likely for the investors. The business might even return to an owner driver basis.

An alternative would be for the Government to set Assignment fees, they set fares.

Drivers should get 60% of the fare, with the extra 10% accounting for holidays, super etc. This might need to be phased in, but investors have faced the risk of total taxi deregulation since 1990 as advocated by bodies such as the ACCC and Productivity Commission. So they have bought cab licences in the face of possible radical change.

I think balance is the key note. And better information, Yellow Cabs

and Silver Tops computers could give information about the location of cabs across time and against whether they are vacant or engaged, which would be a start. Silver Top drivers already have access through to how many cabs are logged in and how many jobs in the previous hour.

On the whole the Issues paper is a very good document, and with the qualification that some other issues apply, such as driver supply rather than taxi plate supply, traffic and equipment issues, and the need for much better statistics, some of which can already be accessed from networks.

David Griffiths,

Driver 26 years.

e-mail received on 20/01/2008 at 11.03 pm

Additional to my point about obsolete equipment, prior to the computers with voice despatch I believe we gave better service. The operator could give a driver several local jobs at once, multiple hire could occur. Now the system won't allow you to see or accept jobs when hired, and if you recall a booking with Yellow cabs, which could be across the suburb and waiting out the front so as to be unlikely to pick up, you don't get to use the radio for 2 hours, even if people can't get cabs. When there is a backlog of jobs the computer will send you the oldest first, these often are not there and you waste your time getting "no job" after "no job". The human operator would have sifted these jobs out of the system. My response is to do less radio work.

Multi hire is one way to pick up productivity in peak times. While it is on the sticker about fares in the cab it is in my experience less than once a month I can take advantage of it. However passengers are frequently uncooperative, and greedy drivers don't know how to use it. You have to be flexible and give win win, cheaper for the passenger and more for the driver. Driver's can get trip estimates from the query operator who uses the base computer, so possibly a GPS device in the cab could give the fare and also calculate the share fare. Top of the line GPS units now receive traffic delays via FM radio so potentially this is all achievable. Alternatively the taxi computer could query the base computer directly, but more radio channels would be needed as they can't handle the data traffic as it is. But taxi administration is bound by a few individuals who have profited from the system and are complacent.