



Tuesday, 9 May 2017

Wollongong Radio Cabs
438 Crown Street
WOLLONGONG, NSW 2500

Point to Point transport (Taxis and hire Vehicles) Regulation 2017.

Dear Sir/Madam

This submission is in response to the recently released Point to Point Transport Act 2016 (Taxis and Hire Vehicles) Regulation 2017 draft. I am acting in my capacity as the General Manager of Wollongong Radios Cabs, speaking on the behalf of our members, investors and drivers.

1. As a major provider in the Point to Point Transport Industry outside of the Sydney metropolitan area, we appreciate the governments consultations to improve current operations and service provision. However, in evaluation of the current draft, Wollongong Radio Cabs specifically comments on the changes made to and enforcement of;

Division 3: Authorisation Fees

(2) An additional authorisation fee of \$0.03 is payable by each authorised provider for each passenger service transaction carried out by the provider.

Passengers Service Levy:

Service Providers are liable to pay the \$1 passenger service levy on all point to point transactions.

The government has made clear that the current rules and regulations are designed to allow the industry to self-regulate themselves and to continue to grow their operations. However, they have failed to consider the excessive administrative burden and associated excessive costs on members and investors. Already operating cost of a taxi plate under the current economic climate has made it difficult for new investors to enter the market and those currently invested are unable to exit due to decreased external interest. Furthermore, plate sales are non-existent in the Wollongong area since 2014, but average transfer fees are currently higher than Sydney prices (Roads and Maritime, 2017). Considered holistically, the introduction of the Division 3 fees and the anticipated \$1 levy places further strain on an already unsustainable business enterprise. The burden of operating a taxi plate in NSW will be further impacted, making it highly unlikely to encourage new investors into the industry. Moreover, considering elevated start-up and maintenance cost, it is unrealistic of the Government to expect such increased repayment of investors.


3. As a transport provider in Wollongong we have been heavily disadvantaged since 2009 with the introduction of the Wollongong Shuttle Service, which has dramatically impacted usage of taxi services in the area and thus impacting annual revenue. The ongoing competition presented by unmoderated geo-location apps presents a critical challenge for the industry as a whole. Whilst the governments inclusive approach to this process has been invaluable, we feel that insufficient focus has been directed towards application based Point to Point Transport. This is visible via the current Division 3 and levy fees. At present, it is improbable that current members and investors adhere to these expectations given the turbulence in the Wollongong market.

4. Of further concern, the draft fails to address the administrative cost and regulations in collecting both levies and passing it onto the appropriate agencies.

5. Noting the Governments intentions, Wollongong Radio Cabs recommends:

- Revisiting the data collection and auditing requirements associated with transportation usage to create costs relative to the circumstance and reduce the excessive administrative burden and associated high costs
- Revisit the \$0.03 fee and consider reducing to \$0.01 relative to area of operations with further consideration given to country areas to which will be most affected. Further amendments to the fee structure to recognise organisations who have an established local footprint and base of operations.
- Revisit possible scaling model:
 - 1-3 million bookings \$0.01
 - 3-5 million bookings \$0.02
 - >5 million bookings \$0.03

We welcome the governments initiative to make the industry a level playing field sustainable for everyone involved in the Point to Point Industry. We also understand the necessity of increased fees from a Government perspective, however a consideration of fees relative to the circumstance and region is ideal for those who operate already at a disadvantage. We applaud the government's response to the looming challenges that our industry faces, without the governments ongoing support local organisations such as Wollongong Radio Cabs face a dire future. Ideally, it is the expectation that policies and regulations be workable, with the ability to provide quality services at the lowest economic cost possible.



John Megas
General Manager
Wollongong Radio Cabs

References:

<http://www.rms.nsw.gov.au/about/corporate-publications/statistics/public-passenger-vehicles/licence-transfers/wollongong.html>