

10/3/13

Office of the Tasmanian Economic Regulator
G.P.O. Box 770 Hobart Tas 7001
Attention Glenn Bounds

Subject Taxi Fare Methodology Inquiry

I submit below some views solely from the perspective of a driver.

I start with some statistics.

1. Adam Creighton, a commentator on matters economic stated in The Australian newspaper on 23/2/13 that since 2007 the CPI in Australia increased by 14%.

2. When Hobart Taxi fares increased by $3\frac{1}{2}\%$ in November 2011 the Australian Bureau of Statistics revealed that the CPI for Hobart from August 2008 to November 2011 (the period since the $3\frac{1}{2}\%$ increase in fares of August 2008) had increased by 7.0%.

The Government has awarded to public servants teachers, police, nurses and politicians 2% p.a. in recent years which appears to cover the CPI and a little more.

3. Since the introduction of Owner Operator Licences in 2008-09 and the expansion of the number of WATs competing with sedan taxis for work there has been over four years an increase of approximately 30% in the number of taxis in the Hobart area competing for work.

The volume of work has not increased by anywhere near 30%. In some categories the volume has decreased e.g. fewer DVH passengers as large numbers of recipients of DVH benefits have died. Also a larger proportion of widows are women who have held licences since the 1950s and 1960s compared with the older cohort of widows who have never driven and, as widows, were more strongly reliant on taxis for transportation.

As a driver I struggle in a 10 hour day to take in constant nominal dollars the same amount of money per day as I did in 2007-2008.

There are many periods in a week extending over two hours when I would take less than \$20 per hour and earn (50%) less than \$10 per hour.

During periods of time likely to be busier, e.g. from 7.45 am to 9.00 am and 3.00 pm to 4.30 pm, the increase in the volume of traffic makes it difficult to take more than \$30 - \$35 per hour.

The value of a driver's labour is diminished considerably by the absence of paid sick leave, paid holidays, employer-provided superannuation contributions and long service leave!

No wonder the taxi driver workforce is a fragmented and variegated cohort of immigrants working very long hours (dangerously so), semi-retired people no longer meeting major life expenses of bringing up children or paying a mortgage, and others on Government benefits working part-time and casually!

Many of the problems of quality of service stem from this wide variegation.

It is stating the obvious to say that taxi drivers provide a valuable and valued essential service, especially for the elderly and disadvantaged.

in the community. They are also very important as the first point of contact for many tourists and can help to set the tone for the development of impressions by visitors that can contribute to increased tourist visits to the State.

Question 25 of the summary of issues for which comment is sought asks whether labour costs should be inflated by the ABS Wage Price Index for Tasmania.

I am ignorant of the precise detail of this and how it compares with Average Weekly Ordinary Time Earnings as a means of indexation of wages. Obviously, I would use the adoption on an annual basis of whichever measure provided the better outcome for drivers.