



VTA TRANSMISSION

EDITION 12, MAY 2011

CEO's Welcome

Welcome to the first edition of Transmission for 2011.

Potentially the biggest thing to hit the taxi industry in nearly two decades was announced by Premier Baillieu on 28 March when he confirmed that an Inquiry, headed up by Professor Allan Fels, would be held into the Victorian taxi industry.

The Premier also announced that following the completion of the 12 month inquiry, a Taxi Services Commission will be created, replacing the Victorian Taxi Directorate (VTD).

Contained in this edition are a number of articles about the Inquiry.

Neil Sach | VTA CEO

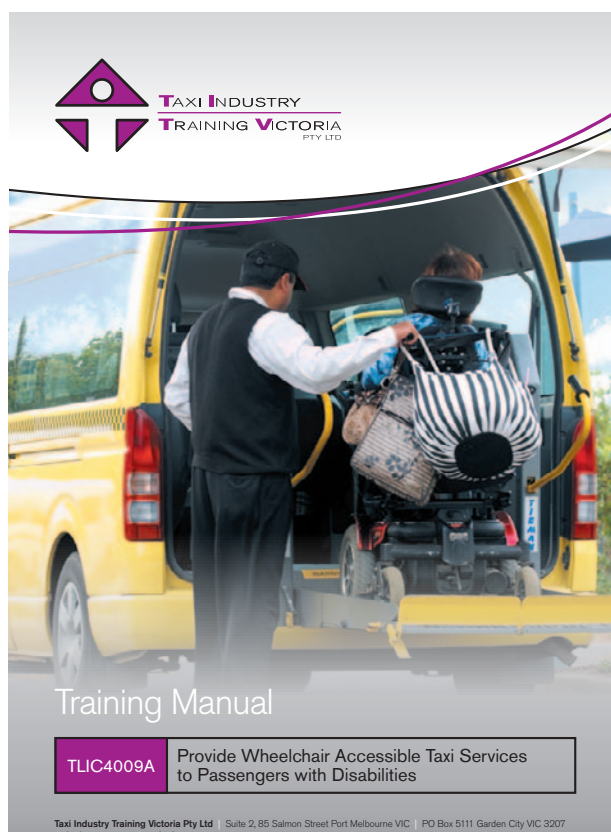
Wheelchair Accessible Taxi driver training

The metropolitan course of the new nationally recognized unit 'TLIC4009A - Provide wheelchair accessible taxi services to passengers with disabilities', is now available and ready for delivery and assessment.

The unit provides a structured, competency based training program for Victorian taxi drivers who wish to operate modified taxicabs and specialize in the transport of passengers with disabilities.

TITV would like to thank 13CABS and Geelong Taxi Network, for their assistance and feedback in piloting the draft of the new unit.

To enrol in the TITV metropolitan WAT driver course, contact 13CABS on 9277 3700 or Silver Top Taxis on 8413 8117.



Don't forget the regulator

The Premier, the Minister for Transport and Roads and Professor Fels have spoken about the taxi industry and the inquiry into it. What hasn't been spoken about yet is inquiring into the other side of the equation – the taxi Regulator (the VTD) and the Department of Transport (DOT).

For years the VTD has claimed that it is part of the taxi industry and has even claimed that its role is to manage the taxi industry.

Whilst the DOT Secretary has written to DOT staff saying how marvellous the VTD is and how tough the taxi industry is to regulate and work in, the fact remains that according to Government statements - as regulation (and compliance) has been increased its measure of industry performance has declined.

From the day of the Premier's announcement the VTA has maintained that **the VTD itself needs to be inquired into by Professor Fels**. The Minister said as much prior to the election.

The role of the Regulator is twofold:

1. Administer the "regulations" in a legitimate, consistent, fair, non-discriminative, constructive, reasonable, practical, and timely way; and
2. Encourage the industry and work with it in a way that is really consultative, not divisive, constructive, innovative, and aligns with and guides development of Government policy and legislation.

Talk with industry people and they will tell you that the VTD isn't meeting this role specification.

These same people will also tell you that the cost of the additional ineffective regulation and processes is burdensome and a distraction from the main game – good service and adequate reward.

Of course, Government itself can't be let off the hook here and must share the blame for a root causal matter — driver income. Taxi fares in Victoria have not increased since December 2008, and right now New South Wales taxi fares are nearly 30 percent higher than ours. What an absolute disgrace!

While he's at it, Professor Fels should also look into driver licensing practices, particularly those coming from overseas. It is not the job of the taxi industry or the VTD to determine if a person can or cannot adequately drive a motor vehicle in Victoria. This is the job of VicRoads. So, if it is suggested that some licensed drivers of taxis can't drive, then there might be something wrong with the driver licensing policies and practices of VicRoads.

Staff changes at the VTA

With the departure from the VTA of Anita Jennison (after nearly 25 years service) and Marike Knight, some adjustments have been made. The VTA wishes both Anita and Marike the very best for their future endeavours.

We welcome Anna Willis in the ongoing role of Finance Manager. The role of Linda Constantelos has been extended. The VTA structure can be seen in full on the VTA website at www.victaxi.com.au

VTA meets with Fels

Even though the Fels inquiry into the taxi industry has yet to formally commence, work has informally begun.

A series of meetings have been held by Professor Fels with various industry groups, including drivers, operators, and the VTA. He has met with business and tourism groups and will be speaking with disability groups.

The VTA meeting was held on Friday 15 April at which time the Inquiry team was introduced: Professor Allan Fels (Chair) and Dr David Cousins (Assistant Chair), and support staff Megan Bourke-O'Neil, Liza McDonald and Leana VanHeerden (all seconded from the DOT). It is understood that Alastair Jaffray from DOT Legal will also be seconded to the support team.

The VTA took the opportunity to advise Professor Fels that the Inquiry will have little or no credibility with the taxi industry if the VTD/DOT is not inquired into. He was advised that the state of the industry is not only determined by the industry itself but is largely determined by legislation, policy, procedure and process developed and/or implemented by the VTD/DOT.

Professor Fels was quite up front in saying that he agrees that the VTD/DOT as the industry regulator does have a major bearing on the operation and performance of the industry and as such will be inquired into.

He stressed that the Inquiry is independent of the Government itself and it will pursue any matter or avenue that it feels is relevant to the Terms of Reference. He indicated that the status, processes and procedures of the Inquiry will very much reflect the way the Australian Productivity Commission works.

He said that the Inquiry will be looking at the taxi industry state-wide, not just Melbourne. In this regard the VTA offered to assist the Inquiry by coordinating its region meetings with Inquiry visits to urban and country areas.

Along the way, it is expected that issue papers will be released for industry/public comment. Professor Fels anticipates the draft report will be released early next year for comment.

In regard to reviewing current fares and other operational policies and procedures, Professor Fels was quite clear that this responsibility remains with the Minister and DOT. It is not part of the Inquiry's role to interfere in ongoing operations whilst the Inquiry is in progress.

The meeting also touched on driver training, driver licensing, community expectations, industry commitment and investment, traffic congestion, traffic management, media commentary, and other things.

The meeting was most useful in setting the stage for what is to follow.

Support for an inquiry, not an inquisition

The Victorian Taxi Association (VTA) welcomed the announcement of a new Government inquiry into the Victorian taxi industry. The VTA has for over two years called for structural reform, particularly around licence assignment, industry accreditation practices and fare setting.

The appointment of Professor Allan Fels to head the inquiry was a surprise, but we look forward to working collaboratively with Professor Fels, the State Government, all industry sectors, the community and the subsequent Taxi Services Commission. The opportunity to introduce reform into the industry to achieve improved outcomes for the public and the industry is timely.

We raise our concern that any pre-conceived conceptions of the industry do not interfere with the terms of reference for the inquiry or its outcomes. Given the Baillieu Government's vow to run an honest Government without hidden agendas, the industry expects to be consulted on those terms of reference. Industry also expects to collaborate on the setting of transparent benchmarks by which customer service can be measured.

There are 5000 cabs servicing Victorians, and the majority of their drivers are doing a good job. Recent negative comments regarding customer service made by opinion leaders in the media need to be placed in perspective as they are more often than not incorrect and, at their worst, come dangerously close to inciting anger against drivers.

Remember that:

- To obtain metropolitan accreditation, drivers are required to demonstrate the most direct route to over 50 landmarks in Melbourne. If they do not get a score of 89%, they cannot obtain accreditation. Often the problem is with public expectation not driver knowledge. Drivers are not expected to know every street and road across the vast metropolitan area.
- Passengers need only provide a street address and the driver will follow the directions of the navigation computer or the street directory.
- If a driver refuses a passenger's fare, the passenger has the option of lodging a complaint with the Victorian Taxi Directorate. All vehicles are numbered to make this process simple and effective.
- **Fares are not fair.** This was a finding of the previous Government and the foundation of a promise to industry to raise fares at the end of 2010. It's common sense: fair fares will attract career drivers to the job, delivering a better passenger experience.
- The call for reform is not new. The Victorian Taxi Association has long called for structural reform, particularly around licensing and revenue distribution. The structure of the industry supports an inequitable distribution of revenues, resulting in drivers working for rates as low as \$8 an hour.

A new Government is a rare opportunity for a fresh start; an opportunity to collaborate with passengers, drivers, network service providers and operators to build a sustainable industry.

Taxis form a vital part of Victoria's transportation mix. The taxi industry provides safe, accessible door-to-door transportation for all members of the community, at all hours. Business and Government rely on taxis to ensure expediency and productivity. The elderly, and people living with disabilities, rely on taxis to stay connected with family and community life.



WAT vehicle bumper bar colour

There continues to be a lot of confusion around what colour the bumper bars of Wheelchair Accessible Taxis should be.

The VTD issued the following advice in December last year:

“Bumper Bars must be painted Victorian Taxi Yellow. The only exception is if the bumper bar is not an integral part of the bodywork. Bumper bars on current shape (3/2005 and later) model of the Toyota Hiace WATs must be painted yellow”

As the confusion centres around what constitutes “integral part of the bodywork” the VTA advises that any member who remains unsure should contact Garry Ellis or Brendan Healy at the VTD to ascertain if the bumper bars on their WAT vehicle needs to be painted Victorian Taxi Yellow.

Central Pier

Central Pier Docklands is an entertainment and events hub in the booming Docklands region. The precinct has quickly become a destination for parties and events.

Located on Central Pier are four event spaces ranging in size from 120 guests to 2500 guests as well as three hospitality businesses including a bar/ night club, pizzeria and a pub/bistro.

This busy precinct offers a great opportunity for taxi drivers to pick up work particularly from Thursday through to Sunday. The redevelopment of Docklands has been problematic especially in regards to the laying of new tram tracks; a detailed map below provides important information on the best way to access Central Pier.

The VTA will regularly update networks on functions held in this precinct including expected crowd size and finishing times to enable drivers to access up to date information when planning their shift.



Who is Allan Fels?

Allan Fels has been appointed to run the forth coming inquiry into the taxi industry in Victoria. Many are asking who is he? And where does come from?

The following information is taken from the Australia and New Zealand School of Government, where Professor Fels worked after leaving the Australian Competition and Consumer Commission (ACCC) in 2003.

Professor Fels was Chairman of the ACCC from 1995 until 2003. He was also Chairman of the former Trade Practices Commission from 1991 until 1995 and Chairman of the Prices Surveillance Authority from 1989 until 1992.

He was Prices Commissioner, Victoria from 1982 -1991 and has served on numerous other government bodies.

Professor Fels was appointed as Professor of Administration at Monash University in 1984 and was the Director of the Graduate School of Management, Monash University from 1985 until 1990. He is now an Honorary Professor in the Faculty of Business and Economics at Monash University and became a Professorial Fellow in the Department of Political Science at the University of Melbourne in 2003.

Professor Fels has degrees in economics and law from the University of Western Australia, and a Ph.D in Economics from Duke University. After leaving Duke he was appointed as a Research Fellow in the Department of Applied Economics, University of Cambridge, where his Duke Ph.D thesis was published as The British Prices and Incomes Board by Cambridge University Press. He received an honorary doctorate in Economics at the University of Western Australia in 2006.

Professor Fels was the Co-Chairman of the Joint Group on Trade and Competition at the OECD from 1996 until 2003.

He was awarded the Order of Australia in June 2001.

Industry taskforces

In line with the Premier's announcement regarding the establishment of an inquiry into the Victorian taxi industry, the VTA will be establishing taskforces. These groups will deal specifically with issues raised by the inquiry, and issues that industry stakeholders would like to see raised at the inquiry.

The structure and composition of the taskforces are yet to be decided. If you are an industry participant and interested in participating please send an email to admin@victaxi.com.au

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