



Letter to the Editor, news.com.au

7 April 2015

Dear Mr Daniel Sankey

I refer to the article by Wenlei Ma published 1 April 2015 titled "Why your life is about to get easier", also published under the heading: "How the Harper Review is a win for customers".

Ms Ma writes: "If the recommendations are adopted, prepare for your taxi fares to come down in price." The reality is that deregulated taxi services invariably lead to not only lower standards of customer service and safety, but also higher average prices. There are plenty of examples of this from around the world where this has proven to be the case with the most notable example being the failed deregulated mini-cabs experience in London, UK.

Uber's surge pricing policy has also demonstrated how expensive taxi services can become if there aren't appropriate regulatory measures in place to protect consumers from this type of predatory pricing.

One of the most incongruent aspects of the Harper Review is that, despite recommending deregulation of the taxi industry, it's authors also acknowledge there to be very little productivity benefit should these recommendations be adopted. One of the guiding principles of designing effective competition is to improve productivity and therefore the question must be asked, to what end the Harper Review is seeking with these reforms.

The Harper Review does not adequately answer this fundamental question and it is for this reason, as well as the negative social and economic consequences for both industry and consumers alike arising from the Review that the NSW Taxi Council has rejected the Final Report.

The NSW Taxi Council is not opposed to reform. In many ways we have been advocating for a range of reforms that will have direct benefits for customers and we have been frustrated at the inertia that we have faced in getting effective collaboration with Government agencies on these points. The key difference between the reforms that we propose and those of the Harper Review is that ours are based on sound pragmatic measures that will improve customer outcomes; not diminish them on the basis of economic ideology.

Sincerely,

Roy Wakelin-King AM
CEO, NSW Taxi Council