

NSW CTP GREENSLIP POLICY REVIEW JAN. 2020
NSWTODA MEMBER DISCUSSION PAPER
Overview

NSWTODA have detailed below a new scenario for consideration with a view to creating discussion, thought and hopefully reigning in the never ending cost burden of the CTP greenslip cover. We aim to achieve a fairer CTP greenslip scheme for taxis with a view of reducing one of the major cost centres with operating taxis. The current approach has not worked for many years and is unsustainable. Over the past 6 years, this cost has continued to increase with no sign of reducing. The risk factor with taxis has severely declined with Sydney metropolitan, covering on average 13 shifts per week, travelling much less kilometers in 2016 to present. Prior to 2016, the average Sydney Taxi (unrestricted) with two drivers on average, travelled approximately 160,000-180,000 kilometers per year. Our feedback from Sydney Taxi Operators, in 2019 the average Sydney taxi (unrestricted) with two drivers now travels approximately 90,000 – 100,000 kilometers, yet the cost of the ctp greenslip has not reduced.

NSWTODA members also refute the claim by CTP insurers that older vehicles should attract a surcharge on the CTP greenslip premium. This is a nonsense, it is not the vehicle that has the accident it is the driver. This measure is just another way of milking the taxi operators for more hard earned dollars. NSWTODA have requested on numerous occasions what is the difference between a 2007 Toyota Tarago or Hi-Ace and a 2015 Toyota Tarago or Hi-Ace, the ANCAP Safety Rating is the same. There the same vehicle. Another abnormality.

This discrimination on the age of the taxi makes a mockery of the mandated Authorised Taxi Safety Inspection Scheme. Taxis are subjected to regular mandated Safety Inspections unlike other vehicles. It appears to our members this is also a double standard.

Description

(Reference Material Transport NSW Roads and Maritime – Registrations Table 1.1.18)

After lengthy discussions and careful consideration with our taxi operator members, NSWTODA would like to suggest a new different approach, by promoting the concept of utilizing the existing CTP Greenslip insurance cover, which is already paid for by the travelling public, on their own vehicles.

As a large majority of taxi passengers are vehicle owners, some owning multiple vehicles, it would seem to our members that whilst these passengers are travelling in a taxi, which is considered public transport, their own vehicles are not being utilized, therefore have no risk exposure to incurring a CTP greenslip claim. This appears to be “double dipping” by the CTP greenslip scheme.

As these passengers have already paid their CTP greenslip insurance, for what reason should the travelling public pay again and again, as part of the fare structure when using a taxi.

We do understand that many members of the public do not own a motor vehicle, and it could be considered that they would not be contributing to the CTP scheme. This falls under two categories; people who travel, interstate or internationally, whom do contribute to the economy as tourists, business travelers etc,

The second category, are underprivileged or economically challenged people whom, for various reasons, do not own motor vehicles and use taxis infrequently.

Whilst both categories may not contribute to the CTP greenslip scheme, we should consider there are 6,669,721 motor vehicles currently registered in NSW, and there is approximately a population of 8M residents in NSW. A large percentage of these vehicles, in particular business motor vehicles attached to major fleet operators, are relatively low end users, being approximately 25% of the high end users “Private General” (stats. 30/09/19), and again where station wagons and cars used for public passenger service are even lower, at approximately 13.5% of the high end users. Given these usage figures, and considering there are currently approximately 6000 taxis in NSW, paying average \$6000 for CTP greenslip, which equates to total funding of \$36,000,000 p.a., NSWTODA proposes that the 6,669,721 motor vehicles registered in NSW, make an additional payment of \$10 per

CTP greenslip annually, towards the funding pool of CTP greenslips. This would equate to approximately \$66,697,210 p,a. almost doubling the funding for the CTP greenslip pool.

In the interest of promoting the use of public transport, and making access to taxis cheaper, the current taxi CTP greenslip \$6,000 should be scrapped giving the taxi operators a long overdue financial relief, thus facilitating a reduction in taxi fares for all NSW taxi passengers.

This measure would also benefit the CTP insurers with increased revenue for the CTP greenslip scheme pool.

Considering these figures, which are drawn from the table attached below, it is very clear that the travelling public are being charged twice, 1st time when their vehicle is registered and insured, and 2nd time when they catch a taxi.

Interestingly enough, Taxi Operators have always been sold the idea that their premiums are high because they are High End Users of the CTP greenslip scheme. However, the table below shows the Taxi Industry is actually a Low End Users when compared to Private and Business vehicles. What the actual truth is would be hard to state, as NSWODA have requested actual accident figures for taxi accidents that led to CTP greenslip claims but, have had no success in retrieving such information from either Sira or Crashlink.

We should also mention whilst we are discussing overcharging, or double dipping, let us look at the cost of running a standby taxi. This is even worse than a normal taxi, the insurer charges the taxi operator a full taxi ctp greenslip premium, even though this vehicle is only used part time when the operator has a taxi of the road for repairs.

When and if this vehicle has an accident, where a ctp greenslip claim is created, the insurer holds the Relevant Taxi Plate holder, which is attached to the standby taxi at that point in time, responsible for the claim. So at what point in time would the taxi operator ever claim on his standby taxi CTP greenslip policy. Most likely never.

"GIVE TAXI OPERATORS A FAIR GO"

Kind Regards
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Anne Turner
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NSWODA TEAM

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