

Survey of Point to Point Transport use



ABOUT THE SURVEY

Since 2012 IPART has regularly surveyed residents of Sydney, other urban and the rest of NSW¹ about their use and perceptions of taxis and other forms of point to point transport. In 2017 the survey questionnaire was revised to better reflect regulatory changes to the market for taxis² and other point to point transport services which came into effect in November 2017. Parallel questions for taxis, rideshare and 'limousine and other hire vehicles'³ were added to the questionnaire.⁴

We commissioned ORIMA to undertake the latest survey in November 2018. Over 2,000 people in Sydney were surveyed and around 1000 people were surveyed in other urban areas and the rest of NSW. ORIMA's report, which includes a copy of the survey questionnaire, is on our [website](#). This information paper summarises the findings of the November 2018 survey.



KEY FINDINGS

Demand for point to point transport in NSW was relatively steady in 2018, and satisfaction with point to point transport remained relatively strong.

Awareness and demand for rideshare services continued to grow and is now approximately equal to taxis in Sydney, while awareness and demand for taxis was relatively stable. Outside Sydney rideshare services are used less frequently than taxis, but the difference has narrowed in 2018. The use of limousines and other hire vehicles slightly increased in all areas of NSW, and perceptions of quality remain higher than other services.

When respondents were asked about their use of point to point transport in the 6 months prior to the survey:

- ▼ One in two Sydney respondents had used a taxi and a similar proportion had used a rideshare service in 2018
- ▼ Taxi use outside Sydney was stable from 2017 to 2018 and remained the most common form of point to point transport
- ▼ While rideshare use outside Sydney was lower than taxis, it almost doubled in the rest of NSW and more than doubled in other urban areas
- ▼ 5% to 13% of respondents had used a limousine or other hire car vehicle, this was an increase in all three areas of NSW from 2017.

The survey found that respondents in Sydney did not perceive taxis to be a better quality service than rideshare.

¹ Other urban refers to Newcastle, Wollongong, Gosford and Wyong.

² For this survey Taxis includes rank and hail and booked trips.

³ Hire vehicle services provide a service with a driver; they do not include rental cars.

⁴ Due to the changes in questionnaire design, comparison with results prior to the 2017 survey should be approached with a degree of caution.



TAXI USE

Taxi use was similar in 2018

- ▼ Taxis remain the point to point transport service with the highest awareness (92% to 98% of respondents). Awareness of taxis was steady across all locations
- ▼ 52% of respondents in Sydney had used a taxi in the previous six months, (around the same proportion as in 2017)
- ▼ 15% of respondents in Sydney used a taxi at least once a week (around the same proportion as last year)
- ▼ 48% of respondents in Sydney used a taxi at least once in the previous six months but less than once a month.

37% of Sydney taxi users said that they had used taxis *less* than the previous year, with cost being the most common reason. Replacement of taxis with rideshare was also a key reason, while some respondents outside Sydney cited better access to a car or going out less. For the 9% of respondents who reported using taxis *more* than the previous year, the primary reason was going out more.

Rideshare outperformed taxis in terms of perceptions of cost and value, and to a lesser extent, waiting times and availability. However, respondents outside Sydney had stronger perceptions of taxis in terms of safety, convenience and driver qualities.

Most recent taxi trip

Compared to other point to point transport services, taxis had the lowest trip success rate,⁵ ranging from 78% to 87% across locations (for other services the success rate was above 90%). Failing to get a taxi was highest for attempted bookings (as opposed to attempted rank or hail hires), with a failure rate of around 6% to 10% across locations.

Most common methods of catching taxis differ between Sydney and rest of NSW

There was not much difference in the methods of obtaining taxis in Sydney:

- ▼ 27% used a taxi rank
- ▼ 25% hailed a taxi
- ▼ 24% booked ASAP
- ▼ 18% pre-booked.

Outside Sydney, hailing a taxi was substantially less common, with only 2% to 7% of respondents using this method to catch a taxi.

⁵ The success rate is determined by a respondent being able to obtain a service.

Waiting times were consistent with last year's survey results

There were no substantive differences in perceptions of wait times compared to last year, although taxi wait times were broadly considered to be less favourable than rideshare wait times. There was also little distinction between wait times for rank and hail taxis and ASAP booking wait times. Wait times were generally perceived to be better during the day than after 10 pm, while perceptions of wait times were least favourable for trips after 10 pm on Fridays and Saturdays.

Taxi fares tend to be more expensive than rideshare fares

The average taxi fare reported was \$49 in Sydney, which was substantially higher than outside Sydney (\$24 to \$27). ORIMA compared taxi fares to rideshare trip fares at various distances. They found that for almost every length of trip, Sydney users of rideshare services reported lower fares than taxi users.⁶ A similar pattern was observed in 2017.

Taxi passenger experiences

Around half of respondents in all areas considered taxis to be good value for money overall. However, taxis had the highest number of respondents who consider taxis to be poor value for money (27% to 42%). Long distance trips received the worst response in terms of value for money, with 39% to 48% of respondents reporting that taxis were poor value for money. This was followed by trips that take place after 10pm on Friday and Saturday.

Respondents were asked if changes such as fare reductions, greater availability of services, or improvements to booking services and driver quality would make them more likely to use a particular point to point transport service. 40% to 51% of respondents said that they would be more likely to use a taxi if fares were cheaper.

In 2018, around 65% of Sydney taxi users reported having problems either during a taxi journey or when trying to catch a taxi in the last 12 months, this was a slight increase from 2017.

The three equal most common reported problems were:

- ▼ not being able to get a taxi at a major event
- ▼ drivers not taking the most direct route
- ▼ drivers not knowing where they were going.

Problems were less common in other urban areas and the rest of NSW and the distribution of the types of problems was similar to Sydney respondents. In particular, respondents in other urban areas reported an increase in problems associated with peak or surge pricing.

⁶ Fares for Sydney rideshare users were reported to be cheaper than taxis for every reported distance, except for trips under 5km where rideshare fares were slightly more expensive than taxis.



Rideshare use continues to increase in Sydney

- ▼ In Sydney, awareness of rideshare is almost equal to taxis (94%), while 77% and 43% of respondents were aware of rideshare in urban areas and the rest of NSW, respectively. Although awareness of rideshare in urban areas and the rest of NSW is much lower than Sydney, it increased substantially from the previous year
- ▼ 48% of Sydney respondents had used ride share in the previous six months (up from 36% in 2017)
- ▼ 20% of Sydney rideshare users had used rideshare at least once per week
- ▼ 31% of Sydney rideshare users had used rideshare less than once per month.

Most Sydney respondents said their use of rideshare either *increased* (42%) in the previous 12 months or stayed the same (38%), while only 13% of respondents reported that they had used rideshare *less* often. The most common reason rideshare users cited for having used rideshare services more than the previous 12 months was that they were less expensive (48%), followed by shorter waiting times (44%). Receiving a fare estimate in advance was also a common reason for using rideshare more often. Respondents who reported using rideshare less often generally cited having less need for the service or greater availability of other options.

People use rideshare more because services are cheaper and have shorter wait times

Rideshare outperformed other services in terms of perceptions of value for money in all three areas and had the highest perception for reasonable waiting times in Sydney and other urban areas.⁷ In all three areas, the survey found that respondents who use rideshare do so more frequently than those who use taxis or hire vehicles. A similar pattern was observed in 2017.

Across all three locations 16% to 23% of rideshare users who have previously used a taxi, reported that they don't use taxis at all any more, while 31% to 37% reported that they used taxis a lot less.

Pooled rideshare is gaining popularity

Pooled rideshare services involve multiple customers sharing the costs of a similar trip. Although they are relatively new, a substantial proportion of respondents reported using a pooled rideshare service in all locations: 16% in Sydney, 18% in other urban areas and 27% in the rest of NSW.

⁷ Limousines and other hire vehicles outperformed rideshare in perceptions of waiting times in the rest of NSW.

Most recent rideshare trip

Rideshare waiting times are more reasonable

Waiting times for obtaining a rideshare service were significantly more likely to be considered reasonable than for taxis. When rideshare users were asked if they considered waiting times reasonable at different times and on different days, the largest difference was on Friday and Saturday nights when 75% of Sydney rideshare users considered the waiting times reasonable. This compares with 43% to 47% of Sydney taxi users (depending on the method of obtaining a taxi).

Fares paid for rideshare are lower

The average rideshare fare was \$29 in Sydney, which was similar to rideshare fares outside of Sydney (\$26). The average rideshare fare in Sydney was substantially lower than the average taxi fare in Sydney (\$49), however there was very little difference between fares for rideshare and taxis outside of Sydney.

Rideshare passenger experiences

As in 2017, respondents considered rideshare to be considerably better value for money than other services, and the differential has increased in 2018. For example, 50% to 67% of respondents reported that rideshare is good value for money, with only 4% to 6% of respondents reporting that the service was poor value for money. Perceptions of value decreased slightly for rideshare trips after 10pm on Friday and Saturday, where 12% to 14% reported that rideshare is poor value for money. However, perceptions of value during this time are still substantially higher than taxis.

12% to 26% of respondents said they would use rideshare more regularly if fares were cheaper, and 5% to 19% said that they would use rideshare more if there was no surge pricing. Of note, 19% of respondents in the rest of NSW indicated that they would be more likely to use rideshare if more services became available.

51% of Sydney rideshare users reported experiencing a problem in the last 12 months; this was a slight increase from 2017. They were, in order of how frequently they were reported:

- ▼ Peak or surge pricing
- ▼ Not the most direct route
- ▼ Driver not knowing where they were going
- ▼ Difficulty getting a service at a major event.

Problems were less common in other urban areas and the rest of NSW, and the distribution of the types of problems was similar to Sydney respondents. As with taxis, respondents in other urban areas reported an increase in problems associated with peak or surge pricing.



LIMOUSINE OR OTHER HIRE VEHICLE USE

Use of limousine or other hire vehicle increased in 2018

13% of Sydney respondents had used a limousine or other hire vehicle in the previous six months (this was up from 11% in 2017). Increases were also observed in areas outside Sydney.

Perceptions of quality for limousine and other hire vehicles are high

While limousines and other hire vehicles were rated lower in terms of value for money, it has a strong position in terms of quality and safety compared to other services.