

**SCIA Submission to the IPART Review of
Taxi Fares and release of Taxi Licences
released from July 1, 2015**



scia
Spinal Cord Injuries Australia



SCIA Submission to the IPART Review of Taxi Fares and Release of New Taxi Licences from July 1, 2015

January 9, 2015

Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

Introduction

Spinal Cord Injuries Australia (SCIA) would like to thank IPART for the opportunity to make this submission to the *Review of Taxi Fares and Release of Taxi Licences from July 1, 2015* and ask that IPART give serious consideration to the content of this submission that is aimed at creating an improved, reliable affordable and safer New South Wales Wheelchair Accessible Taxi (WAT) service.

This submission refers to the IPART Fare Review Terms of Reference (**sections iv, v and vi**) relating to the impact on customers and the safety of services from the recommendations. Any increase in the cost of taxi transport will continue to have an ongoing impact on people with disability (particularly people in the lower socio-economic category) as well as the safety of the WATs.

IPART Taxi Fare Review Terms of Reference:

In providing these services, IPART should consider:

- i) the cost of providing the services concerned and the need for greater efficiency in the supply of services so as to reduce costs for the benefit of customers;
- ii) the protection of customers from abuses of monopoly power in terms of prices, pricing policies, and standards of service;
- iii) the need to maintain ecologically sustainable development;
- iv) the impact on customers of the recommendations;**
- v) standards of quality, reliability and safety of the services concerned (whether those standards are specified by legislation, agreement or otherwise and any suggested or actual changes to those standards); and**
- vi) the effect of any pricing recommendation on the level of Government funding.**



Background

As IPART would be aware, the Sydney WAT service has been in continuous operation since 1981, and there are various levels of WAT services now operating in most regional and rural towns throughout NSW. It provides a door-to-door accessible transport option for people with disability, and for many people with significant disability who are reliant on mobility aids, the WAT service is the only accessible transport option they have. Are these WAT service is unable people with disability to participate in society as active citizens providing a vital transport links to education, training and employment, social and medical appointments and an opportunity to visit family and friends, which can minimise social isolation as well as improve a person's quality of life.

With the rolling out of the National Disability Insurance Scheme (NDIS), there is an expectation that the NDIS will increase people with disability's opportunity to reach and maintain their goals. However, the expected in the ice benefits will be aided and abetted by the available of efficient, safe and affordable taxi transport, particularly WAT services.

The impact of taxi fare prices and the NSW Taxi Transport Subsidy Scheme

It is of great concern for people with disability when taxi fares and charges increase, particularly for people receiving a pension or low income earners. Although it is greatly appreciated that the NSW Government provides the Taxi Transport Subsidy Scheme (TTSS) to eligible people with disability to assist with the cost of taxi transport, the cost of taxi transport is still relatively expensive. Any increase to taxi fares and charges results in people with disability being adversely affected and they will generally limit how often and how far they travel.

SCIA, in conjunction with other disability sector representative organisations, conducted an online survey of 150 TTSS participants with disability. The survey data included that approximately 55% of respondents are receiving the Disability Support Pension, (DSP) and the DSP recipients are spending between 11%-30% of the DSP on taxi transport. This percentage was slightly higher for people with disability in part-time employment (50%) and slightly lower for people with disability in full-time employment (35.7%).



SCIA understands that IPART does not have the authority to increase the TTSS subsidy percentage or dollar value, however, as the TTSS has not increased since 1999 but taxi fares have increased by approximately 60% during the same time, SCIA would like to request that IPART acknowledge it. Furthermore, SCIA would like IPART to recommend to the NSW Government that it needs to amend the TTSS immediately. Particularly in consideration that the 2010 NSW Parliamentary Tax Industry Inquiry Report recommended a TTSS subsidy increase to 50% of a maximum \$100 taxi fare (maximum \$50 taxi fare subsidy).

The NSW Government previously boasted that the NSW TTSS was the most generous taxi transport subsidy scheme in Australia, however, it is now lagging behind other Australian states. Victoria currently provides a 50% subsidy of a maximum \$120 taxi fare (maximum \$60 taxi fare subsidy) and South Australia providing a 75% taxi fare subsidy up to a maximum \$40 taxi fare (maximum \$30 taxi fare subsidy), however, students receive a 100% taxi fare subsidy up to a \$40 taxi fare.

In relation to the cost of taxi transport for people with disability, SCIA continues to campaign to seek the NSW Government to increase the TTSS subsidy, and is seeking a TTSS subsidy of 75% of a maximum \$120 taxi fare (maximum \$90 taxi fare subsidy). This level of TTSS subsidy will adequately address people living in rural and regional areas, as well as people living in or travelling through Sydney, which has increased traffic congestion and tollways that are increasing the cost of taxi transport.

Furthermore, an increase in the TTSS subsidy percentage and dollar value would have an immediate beneficial impact on the WAT service. It would make taxi transport for people with disability more affordable, so it should increase the number of WAT bookings, and provide more work for WAT drivers and hence increasing their earning potential.

SCIA believes the NSW Government continue to reject calls to increase the TTSS, as well as rejected the recommendation to increase the TTSS from 50% of a maximum \$60 taxi fare, to 50% of a \$100 taxi fare (as recommended in the 2010 NSW Tax Industry Inquiry). The NSW Government's rejection is probably due to the extra funds required. The NSW TTSS subsidy costs approximately \$25 million per annum.



SCIA would like to recommend a similar taxi fare levy be implemented to raise revenue to be used to increase the TTSS subsidy. The NSW Council of Social Services (NCOSS) submission to the 2010 Taxi Industry Inquiry recommended a small levy of 20 cents per trip be added to every taxi fare, imposed over five years, to raise revenue of approximately \$20 million for the evolution of a universally accessible taxi fleet. Although this recommendation was to raise revenue to create a taxi fleet with universal access, of which the NSW Government rejected the recommendation, SCIA this small levy would have an immediate and profound impact on improving taxi affordability for people with disability, particularly wheelchair users.

IPART Terms of Reference requires it to consider quality, reliability and safety of taxi services

Quality and Safety

In relation to taxi service quality and safety, SCIA would like to recommend a review of the WAT Driver Training Course which would ensure people with disability, particularly wheelchair users, participated in the training of WAT drivers. SCIA also believes that WAT drivers should undertake a refresher course between 4-8 weeks after the WAT Driver Training Course as SCIA is aware of many WAT drivers not know how to set up the vehicles i.e. moving passenger seats, inserting the wheelchair restraints into the floor tracks/anchor points, to enable a wheelchair passenger to enter the WAT. There is also a need for WAT drivers to check that the wheelchair restraints are inside the vehicle and functional prior to, and at the end of, each shift. Also, there have been numerous incidences of WAT drivers who do not know how to apply the wheelchair restraints and passenger seatbelt.

SCIA would also like to recommend Taxi Inspectors undertake random 'spot checks' of the WAT drivers to clarify that they have and display WAT driver accreditation, and Taxi Inspectors should also check that the wheelchair restraints are inside the vehicle and functional.

The NSW Transport Regulations requires taxis to be inspected every three months, however, there are no inspection of the wheelchair restraints to ensure they are in the vehicles and/or if they are in working order. SCIA has received reports that some WAT drivers don't apply the wheelchair restraints, or will only do so if requested, which is not only dangerous for the wheelchair passenger (and the other passengers) in the event of an accident, the WAT driver may not be covered by insurance.



Reliability

WATs now comprise approximately 11% of the Sydney taxi fleet, and although WAT radio booking response times have greatly improved over time, it is reported that these WAT response times are still not equivalent to regular taxi bookings. This results in the WAT service being non-compliant with the *Disability Standards for Accessible Public Transport (Transport Standards)* response time milestone, which required parity with regular taxi services by December 2007.

To try to improve WAT booking reliability and response times, the NSW Government introduced the WAT Driver Bonus Incentive Scheme in December 2007. This WAT driver incentive scheme pays \$8.47 to the driver for every TTSS voucher received (and submitted) as part of the fare payment. Although the driver incentive scheme was initially trialled for six months, with the WAT driver only receiving the \$8.47 payment when the passenger with disability was picked up within 30 minutes of the booking time, however, the WAT drivers have continued to be paid the incentive payment regardless whether the driver is on time or not when, or when transporting a passenger with disability with a booking through a network radio, a privately arranged booking, or picking up a passenger from a taxi rank or a street hail.

Although WAT response times have greatly improved (decreased), SCIA understands there are a number of areas around the Sydney Metropolitan and Greater Sydney Metropolitan areas where passengers who use wheelchairs are experiencing longer waiting times for WAT bookings. The data on response times across the Sydney Metropolitan and Greater Sydney Metropolitan Area should be made available to IPART through the Combined Communications Network (CCN) WAT Booking Service, commonly known as the Zero 200 Wheelchair Accessible Taxi Booking Service.

SCIA would like IPART to recommend any increase in the number of WAT licenses be targeted (or possibly restricted) to specific Sydney geographical areas where there are known delays in WAT booking response times to help improve WAT booking response times in these areas.

Furthermore, a significant percentage of WAT bookings are done through private arrangement between the passengers with disability and WAT drivers and there would be no data available on waiting times during these private arrangements.



Although efficient WAT services and quick response times are important, particularly for people with disability who need to get to health and medical appointments etc, for the majority of people with a disability, the biggest issue is the increasing cost of taxi fares. To assist WAT drivers and wheelchair passengers alike, there is an urgent need for IPART, the NSW Government and taxi industry to recognise and address the ongoing negative financial impact on people with disability, particularly people who use wheelchairs whose only form of accessible transport are the WATs, and of whom many are on low income or in receipt of the CentreLink payments.

WAT Set-up and Running Costs

It is reported in past IPART Review Reports that taxi industry representatives have argued that WATs involve higher establishment costs compared to standard taxis and experience higher running costs that should be taken into account in setting taxi fares, and that initial set-up costs are higher due to the cost of the vehicles and/or modifications required, such as the addition of hydraulic lifts (Maxi Taxis), vehicle body modifications, wheelchair restraints and removable and/or folding seating etc. And that a new WAT vehicle, including its set-up costs, can almost be twice as much of a standard taxi.

Also, the taxi industry has previously submitted that WAT jobs are 'uneconomic' because they tend to:

- be infrequent and small in number, with only 10% of the work of WATs providing services to passengers with disability
- involve a longer 'running' time but a shorter job distance and as there are fewer accessible transport options for WAT passengers to make short distance journeys.

A previous PricewaterhouseCoopers survey report notes that WATs generally have higher fuel costs, as many are unable to use LPG and have higher maintenance costs due to factors such as imported spare parts and servicing of hydraulic lifting equipment.

However, SCIA would like to comment that in consideration of the above-mentioned costs, including that WAT driver/operators have to pay fees for a second WAT radio for the 0200 WAT Radio Network, there are numerous government concessions and benefits to help offset the WAT establishment and ongoing costs. These concessions and benefits assist to make a WAT more than cost-effective to operate under the WAT licence conditions, including having to give priority to bookings by people with disability, which needs to be considered when setting taxi fares.



The NSW Government provides a number of discounts, concessions and incentives for drivers to operate a WAT that includes;

- charging only \$20.00 per week (\$1000.00 per annum) for the WAT licence plate (compared to approximately \$700.00 per week (\$36,400.00 per annum) for leasing regular taxi licence plates)
- extending the operational life of the WAT to 10.5 years (compared to 6 years for a regular taxi) to recuperate the initial set-up and operational cost of the WAT, and the WAT can be depreciated for taxation purposes over the 10.5 years putting it on parallel terms as a standard taxi
- as the WAT does not require to be replaced after 6 years, it negates the need to purchase a new vehicle at that time
- all WATs have a seating capacity of five or more passengers, enabling the driver/operator to accept a booking for five or more passengers, that implements "Rate 3" for taxi fares, which includes a 50% charge on top of the metered fare which most standard taxis are unable to do
- country drivers/operators can apply for an interest-free loan up to \$30,000 to implement and operate a WAT in a town/city where a WAT is deemed to be required
- WAT Taxi Driver Bonus Incentive Scheme of \$8.47 that is paid on the presentation of each TTSS
- WAT regulations allow the WAT driver/operator to engage the taxi meter when the driver starts to assist a wheelchair passenger into the vehicle, applying the wheelchair restraints and seatbelt. [Unfortunately some drivers do not know what they are doing when applying the wheelchair restraints to the wheelchair and seatbelt across the passenger that can add between \$6.00-\$10.00 to the taxi fare before the journey commences.

SCIA is aware of incidences in Sydney when the taxi meter has accumulated a relatively excessive amount between \$20-\$30 prior to the journey started. However, the taxi meter accumulated fare will vary depending on a variety of reasons including the type of WAT e.g. a large vehicle with two wheelchair capacity, that requires the wheelchair hoist to be deployed, the seats to be folded away to provide room for the wheelchair user and the wheelchair restraints to be retrieved from a storage box and attached to the wheelchair and the seat belt applied. Or a Toyota Tarago which has roll up seats, a fold out manual ramp and the front wheelchair restraints already in place that the driver extends and attaches to the front of the wheelchair prior to the wheelchair user entering the vehicle and the rear restraints and seatbelt being attached



Furthermore, in conjunction with the vehicle model, conversion and the configuration of the wheelchair restraints being used, that contribute to the accumulated taxi fare, the lack of experience of the WAT driver can contribute to the time it takes to set up the vehicle and apply the wheelchair restraints and seatbelt. However, it is greatly appreciated by wheelchair passengers when WAT drivers do not engage the taxi meter until after the wheelchair passenger is safely secured inside the vehicle and leaving for the passengers destination.

The current WAT driver/operator incentives to increase the WAT service effectiveness and efficiency are greatly appreciated but the quality, reliability and safety of the WAT service is affected by a dynamic range of influences such as:

- the number of WATs on the road at any one time and if they are not logged into the system to accept bookings
- the reluctance of WAT drivers to operate in accordance with the licence requirement to give priority to passengers using wheelchairs
- the model and type of vehicle used for a WAT, in conjunction with the lack of experience by the WAT driver/operator, can increase the amount of time it takes to 'set up' the vehicle prior to loading the wheelchair passenger and applying the wheelchair restraints and seatbelt
- the WAT driver's knowledge and confidence in assisting people with disability and applying the wheelchair restraints and passenger seatbelt

Thank you for accepting this submission and SCIA anticipates that the content will be given serious consideration when the IPART review is all submissions and makes its recommendations and SCIA anticipates a positive outcome.

If IPART would like further information or would like any of the content clarified please do not hesitate to contact the SCIA Policy and Advocacy Department.

Yours sincerely,

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