

2008 Taxi Fare Review
Independent Pricing and Regulatory Tribunal
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Submission by:
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Introduction

I thank IPART for the opportunity to make a submission to the 2008 Taxi Fare Review and I ask that IPART give serious consideration to the content of this submission that is aimed at creating an improved, more reliable and affordable Wheelchair Accessible Taxi (WAT) service.

As a user of the WAT service in Sydney since its inception in 1981, I have found it is greatly needed and appreciated by people with a disability and their families, carers and acquaintances. It provides accessible transport to enable people with a disability to participate as equal members of society with vital links to education, training and employment, social and medical appointments and an opportunity to visit family and friends and improves a person's quality of life.

It is appreciated that this year's Taxi Fare Review will consider whether there are costs associated with WATs that are not captured as part of IPART's fare recommendations and possible approaches that IPART can take to support the work being done by Government and the taxi industry in relation to WATs.

Although IPART is seeking submissions on how the current NSW Government and taxi industry incentives impact on the WAT service, of which this submission provides responses to questions (Q45 – Q52), I also believe that the current incentives are adequate for WAT drivers and operators to provide a reliable and responsive WAT service.

I appreciate the NSW Government is endeavouring to ensure that people with disabilities are provided with a reliable taxi service, however, I disagree with the December 2007 introduction of another government funded financial incentive to provide WAT drivers with a \$8.47 bonus to improve response times and reliability.

With the influx of WATs in Sydney over the past two years, WATs now comprise approximately 10% of the Sydney taxi fleet and their response times are currently extremely good and not a major issue for people with a disability—but the increasing cost of taxi transport is an issue. To assist WAT drivers and wheelchair passengers alike, there is an urgent need for the NSW Government and taxi industry to address the ever-increasing cost of taxi transport to provide an affordable and accessible taxi service for people with disabilities.

It seems that the driver costs associated with operating a WAT and a regular taxi are mainly paid to the taxi companies/operators and with all incentives and/or bonuses for remuneration being sought from an increase in the taxi fares or from government incentives or discounts.

As the taxi industry is reported to be highly profitable, I am unaware of the taxi companies/operators financially supporting the WAT service, and other accessible transport for people with a disability, in regard to funding any incentives or discounts.

The NSW Government needs to address the inadequate Taxi Transport Subsidy Scheme (TTSS), by either increasing the subsidy percentage or by applying the subsidy to the first 50% of the taxi fare. This would have an immediate impact on the WAT service as it would increase the number of WAT bookings, and in turn provide more work for WAT drivers, increasing their earning potential.

There is minimal benefit to WAT passengers if there is an increase in the WAT numbers, but there is less benefit, and definitely cost prohibitive, if there are continuing increase in taxi fares!

When Taxis Combined Services (TCS) commenced the WAT service in Sydney in 1981, TCS supplied the WATs and received a free taxi licence for the WATs in conjunction with a free nexus taxi plate for a standard taxi to enable TCS to recoup the cost of operating the WAT service. In the mid-1990s, when there was approximately 120 WATs in service, the Ministry of Transport stopped providing the nexus plates. TCS sold off its WAT fleet to its drivers and leased the WAT licence plates to the drivers. What is the status of the 100 plus nexus plates, and if they are still in operation, are the profits from these plates being used within the WAT service?

WAT Set-up and Running Costs

It is reported that in past reviews, 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 fares and that initial set-up costs are higher due to the cost of the vehicles and/or alterations required, such as the addition of hydraulic lifts. And that a new WAT vehicle can cost almost double the cost of a standard taxi, including the fit-out. Also, the taxi industry has submitted that WAT jobs are 'uneconomic' because they tend to:

- be infrequent and small in number, with only 10 percent of the work of existing WAT taxis providing services to passengers with disabilities, and;
- involve a longer 'running' time but a shorter job distance, because fewer alternatives exist for WAT passengers to make short distance journeys.

PricewaterhouseCoopers survey report notes that WAT vehicles generally have higher fuel costs, as many do not use LPG and have higher maintenance costs due to factors such as imported parts and servicing of hydraulic lifting equipment.

However, there are some WAT charges that should be reviewed and reconsidered, including the fees for the second WAT radio, as well as the WAT licence that is provided by the Ministry of Transport \$20.00 per week that some taxi companies/operators are charging the WAT drivers \$75.00 per week for.

But there is also a vast range of government incentives to more than compensate the WAT driver to ensure that they operate in a manner that is compliant to licence requirements of which I will endeavour to answer using the set of IPART questions below.

45 What are the differences between the upfront and running costs of WATs and standard taxi services and to what extent do current initiatives, such as \$1,000/free licences, offset any additional costs?

Answer:

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

- charging only \$20.00 per week for the WAT licence plate (compared to approximately \$400.00 per week lease for 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, that I understand if it is operating as a business the WAT can be depreciated for taxation purposes over the 10.5 years putting it on parallel terms as a standard taxi and;
- the majority of WATs have a capacity of five or more passengers, enabling the driver/operator to accept a booking for five or more passengers, that attracts the "Rate 3" on the taxi meter, which is 150% of the metered fare which most standard taxis are unable to do
- country drivers/operators can apply for a \$30,000 interest-free loan to implement and operate a WAT in a town/city where a WAT is required to be repaid over five years

46 With such large subsidies on offer for WAT licences compared with standard licences, why has the up-take of WAT licences been limited?

Answer:

There is a long history to the number of WATs currently operating in Sydney, of which have not just been limited by the quantity of WAT licences released by the NSW Ministry of Transport in stages, but initially limited more so by the unfavourable conditions placed on the WAT licences.

Currently there are approximately 410 WATs operating in Sydney/NSW, which is approximately 10% of the taxi fleet, and this quantity may be the maximum number that the NSW Ministry of Transport is making available at this point in time.

In August 1998, there were approximately 150 WATs operating in Sydney, and the NSW Ministry of Transport (Mr Carl Scully) announced the availability of an additional 400 WAT licences to be released at 20 licences per month over 20 months. This was to create 550 WATs (10% of the Sydney taxi fleet) to be operating at the start of the Sydney Olympics in September 2000.

Unfortunately, there was a slow take-up of the WAT licences due to the unattractive conditions that included the vehicle to have the capacity to carry two wheelchair passengers (limited to van type vehicles only such Toyota Hi-Ace Commuters), the WAT to be in operation a minimum 20 hours per day and with a licence fee of \$6,000.00 per annum for 6 years (although WATs have an operational life of 10.5 years).

Initially the push for vehicles with two wheelchair capacity came from the various physical disability organisations. However, at that time, only about 10% - 15% of WAT bookings were for two wheelchair passengers travelling together. It is common sense that there is a variety of WATs with different wheelchair capacity to meet the market.

About six years ago the Ministry of Transport made changes to the WAT licence requirements and released \$1000.00 per annum licence plates for one wheelchair capacity vehicles that only to be in operation a minimum 10 hours per day. This saw an influx of one wheelchair capacity WATs including the Ford Flash Cab, Toyota Taragos, Kia Carnivals etc.

and the introduction of Lime Taxis with Mercedes Vitos. Apart from the Toyota Hi-Ace Commuters, it is now very rare to see new WATs in the service with two wheelchair capacity, however, there are a small number of Chrysler Voyagers (with side entry) that continue to enter the WAT service that have two wheelchair capacity.

WAT drivers/operators have reported that van type vehicles, like the Toyota HiAce Commuter, are not popular with the general public who are reluctant to travel in them. Also, many of the general public think that the WATs are only available to carry people with a disability as there is a lack of public awareness that the WATs are "multipurpose vehicles". When sitting at taxi ranks many drivers of van type WATs regularly experience potential passengers bypassing their vehicle to get into a sedan/station wagon taxi.

The choice of vehicle and conversion is a decision the WAT driver/operator generally has control of and this choice is obviously going to have an impact on the initial setup cost, ongoing expenses and the ability to attract "non-disabled" passengers when not required to give priority to passengers with a disability.

47 Are there other costs or concerns associated with WATs, or wheelchair work specifically, that need to be recognised in the fare setting process?

Answer:

But there are a number of costs associated with operating a WAT that have a negative impact on the driver/operator that include;

- the requirement for a second taxi radio to receive and accept wheelchair bookings that attracts radio fees
- some taxi companies charging the WAT driver/operator a WAT licence fee higher than the \$20.00 per week. It is reported that Taxis Combined Services is charging \$75.00 per week since the beginning of 2008. In 2007 it was around \$50.00 per week.

48 What impact would a reduction in the waiting time charge have on service levels for WATs?

Answer:

It is hard to speculate what the impact would be on service levels for WATs as there is currently a number of WAT drivers that do not engage the taxi meter until after the WAT has been set up, wheelchair passenger loaded with all four restraints and seatbelt attached. The setup time for the WAT varies depending on the type of vehicle and conversion e.g. a Toyota Hi Ace Commuter may require two separate bench seats to be folded up and the wheelchair restraints retrieved from a toolbox and attached to the floor mounting brackets prior to the wheelchair passenger entering the vehicle on the deployed hoist.

However, there are a number of WAT drivers that will engage the taxi meter then start setting up the WAT including going through the above-mentioned process which can equate to up to \$10.00 on the taxi meter prior to the commencement of the journey. It is totally unacceptable to expect the wheelchair passenger to cover the \$10.00 (\$5.00 with the TTSS) which is compounded when the booking is for a short journey as the value of the TTSS is diminished or completely lost.

49 Should the time spent loading be capped and if so, what is an appropriate level at which to set such a cap?

Answer:

As a regular user of WATs, my general experience is that if the taxi meter is engaged at the commencement of the WAT driver opening the vehicle and deploying the ramp/hoist (depending on the vehicle brand, model and conversion), assisting the wheelchair passenger into the vehicle, applying all four wheelchair restraints and passenger seat belt, closing the ramp/hoist and starting the vehicle, it is generally about \$6.50 on the taxi meter (including flag-fall). I believe the \$6.50 is an acceptable cap for the time spent loading the wheelchair passenger.

However, it is greatly appreciated by wheelchair passengers when WAT drivers do not engage the taxi meter until leaving for the passengers destination, which is after the wheelchair passenger has been loaded with all 4 wheelchair restraints and the passenger seat belt applied.

50 What level of payment would provide a sufficient incentive to drivers to prioritise wheelchair work?

Answer:

The Government and taxi industry have an obligation to operate a WAT service and I believe the current group of incentives for WAT drivers/operators to provide a reliable and spontaneous service that gives priority to people with a disability is at the right balance.

51 Should incentive payments be linked to service quality, for example, on-time pick-up?

Answer:

Although the WAT driver Bonus Payment Scheme is an incentive to encourage WAT drivers to be more reliable and improve response times, the payment is being made to WAT drivers for every wheelchair passenger job, regardless of how long after the booking time the passenger is being picked up, or whether the fare is a street hail or from a taxi rank.

If incentive payments are to be made to the WAT drivers it must be related to response times and must NOT just be paid each time a wheelchair passenger is carried. The concept to continually look for financial incentives (either as bonus payments and/or increases in the taxi fares) for the WAT drivers/operators to prioritise wheelchair passengers needs to be considered in light of the existing incentives that should be looked at as a whole package.

The requirement of WAT drivers to give priority to wheelchair passengers has been an ongoing issue since the introduction of the WAT service. A number of WAT driver incentives and bonuses have been used previously, including providing "paid running" to the WAT driver to cover the cost of driving to the wheelchair passenger pickup address. But this incentive did not always work in favour of the wheelchair passenger as some WAT drivers were not bidding and/or accepting bookings until "paid running" was offered.

A WAT driver (who is still driving) made a suggestion a number of years ago that a solution to get the WAT drivers to give priority to wheelchair passengers was to set the WAT licence fee at the standard rate for regular taxis e.g. \$400.00 per week, but to reduce the WAT licence fee for each wheelchair job performed, e.g. \$15.00 per job. At 4 wheelchair jobs per day (\$60.00), or 28 jobs per seven day week, it equates to \$420.00 in incentive payments that equates to a \$00.00 (nil) WAT licence fee. Obviously the incentive is to have the WAT drivers cover the available wheelchair jobs, of which they will also receive the income from the taxi fares and reducing their weekly licence fee commitments.

52 Is it appropriate for drivers to receive the whole amount of any incentive payment for picking up passengers in wheelchairs or should such a payment be shared between drivers and operators?

Answer:

As the taxi companies/operators are seen to be the WAT service provider it is in their best interest for WAT drivers to improve reliability and response times.

Although I am against the current WAT driver incentive payment, if any incentive payment is to be paid to the drivers, it should not be shared with the operators as the taxi drivers continually encounter increases in fees and charges from the operators.

Other Impacts on WAT Service

Government and transport industry incentives to increase the WAT service are encouraged and greatly appreciated but the quality and reliability of the WAT service is impacted by a dynamic range of influences in that when the service is good, it is very good, but when things go wrong then the service can be very bad.

The quality and reliability of the WAT service are impacted by;

- the number of WATs on the road and in-service to take bookings at any one time
- the reluctance of WAT drivers to operate in accordance with the licence requirement to give priority to wheelchair passengers
- the make, model and conversion type of the WAT that can increase the amount of time it takes to 'set up' the vehicle to load the wheelchair passenger
- the increasing number of WATs that are noncompliant with the Disability Standards for Accessible Public Transport (DSAPT) in regard to the wheelchair space that is preventing wheelchair users from accessing the WAT on its arrival requiring re-booking that has a negative impact on
 - the WAT driver
 - wheelchair passenger, and;
 - the Zero200 booking service needs to re-book the jobs
- the WAT driver's training and personal confidence and experience including the lack of common sense of some of the WAT drivers
- the Zero200 booking service where the booking details have been entered into the system incorrectly e.g. booking time, pickup location and/or destination

Thank you for taking the time to consider my above-mentioned concerns and I anticipate a positive outcome.

Regards,

Greg Killeen