

**RESPONSE to the INDEPENDENT PRICING
and
REGULATORY TRIBUNAL REVIEW
into TAXI FARES
March 2008**

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TAXI FARE REVIEW – 2008

As part of the annual review into taxi fares in NSW, the Physical Disability Council of NSW submits the following feedback to the *Independent Pricing and Regulatory Tribunal* (IPART).

1. 2008 IPART TERMS OF REFERENCE

1. The cost of providing services concerned;
2. The protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standards of service
3. The need for greater efficiency in the supply of services so as to reduce costs for the benefit of the consumer;
4. The impact of pricing policies of borrowing and capital requirements and, in particular, the impact of any need to renew or increase relevant assets;
5. The need to maintain ecologically sustainable development;
6. The social impact of the recommendations;
7. Standards of quality, reliability and safety of services concerned (whether those standards are specified by legislation, agreement or otherwise and any suggested or actual changes to those standards as notified to the Tribunal by the Minister of Transport); and
8. The effect of any pricing recommendation on the level of Government funding.

2. ISSUES IDENTIFIED IN THE IPART ISSUES PAPER

Further to the *Terms of Reference* identified above, IPART addresses the following questions in the Issues Paper – *Review of Taxi Fares in NSW 2008* in regard to wheelchair accessible taxis (WATs):

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 licenses, offset any additional costs?
46. With such large subsidies on offer for WATs licenses compared to standard licenses, why has the up-take of WAT licenses been limited?
47. Are there other costs or concerns associated with WATs, or wheelchair work specifically, that need to be recognised in the fare setting process?
48. What impact would a reduction in the waiting time charge have on service levels for WATs?
49. Should the time spent loading be capped and if so, what is an appropriate level at which to set such a cap?
50. What level of payment would provide a sufficient incentive to drivers to prioritise wheelchair work?
51. Should incentive payments be linked to service quality, for example on-time pick-up?
52. Is it appropriate for drivers to receive the whole payment of any incentive payment for picking up passengers in wheelchairs or should such a payment be shared between drivers and operators?
53. What is the most appropriate means of recovering costs associated with providing WAT services or incentive payments?

3. EXECUTIVE SUMMARY

The Physical Disability Council of NSW (PDCN) recommends that through this Review that the NSW Ministry of Transport implements a universally accessible taxi fleet to best meet the *Disability Standards for Accessible Public Transport* 2002, Part 34 – Target dates for compliance (Section 1.2). Response times for accessible vehicles are to be the same as for other vehicles.

Implementation would provide greater compliance with Part 1, Section 1.16 of the *Transport Standards – Equivalent Access* and remove having to make special provisions for WATs operators.

4. SUMMARY OF RECOMMENDATIONS

The Physical Disability Council of NSW (PDCN) recommends:

Recommendation 1: That the travel needs of the constituency of PDCN must be considered in the IPART ‘average fare calculation’.

Recommendation 2: PDCN urges IPART to recommend the introduction of a universal taxi fleet, by replacing the regular taxi fleet vehicles with WATS over the following 10 years, to provide an equitable taxi service for all members of the community.

Recommendation 3: PDCN seeks the support of IPART:

- **To increase the level of the TTSS subsidy from 50% of the metered fare to 75%; and**
- **To increase the upper limit of subsidised fare from \$30 to \$50.**

5. ABOUT the PHYSICAL DISABILITY COUNCIL of NSW

The Physical Disability Council of NSW Inc (PDCN) is the peak body representing people with physical disabilities in NSW.

PDCN formed in late 1994 by a group of people with physical disabilities, committed to change and received seed funding in 1995.

Today, PDCN is funded by the NSW Department of Ageing, Disability and Home Care (DADHC).

Philosophy of PDCN

“Ordinary People: Ordinary Lives”

PDCN believes that people with physical disabilities must have the opportunity to make ordinary life choices, to lead the lives they want to lead, in the manner of their choosing. In short, to have the same choices and opportunities as everyone else in the broader community.

People with physical disabilities are not special, extraordinary people, transcending their disabilities, but ordinary people wanting to create a life for themselves. Some will become extraordinary achievers in their chosen paths, but this will be a result of the original ordinary choices and paths taken, not due to disability.

These ordinary lives are made more liveable by the creation of “level playing fields” from which people with physical disabilities are able to choose their paths in life. These “level playing fields” consist of systems, structures, programmes and funding throughout the community that support an individual to make ordinary choices. Equal access to education, employment, housing, health,

recreation, leisure, together with personal assistance, equipment, **accessible public transport**, accessible buildings and facilities are all examples of the components of these “level playing fields”. In isolation, these individual components might appear to have minimal impact, but each component is vitally important to the lives of our constituency.

6. AVAILABILITY OF WATS in NSW

- As of June 2007 there was a total of 5,033 regular taxis in metropolitan Sydney with only 407 or 8.1% having wheelchair access. Rural NSW had 215 or 17.2% with wheelchair access.
- Figures provided for rural NSW vary considerably depending on location. In the larger local government areas (LGA) this proportion may vary from only 4% as in the Bathurst LGA to 50% in the following LGA's; Ballina, Byron, Great Lakes, Hastings, Narromine, Port Stephens and Walgett.
- As of March 2007, 9% of passengers using the *Zero200 Network* were still waiting more than 30 minutes for a WAT vehicle and 1% of these passengers waited more than 60 minutes.¹ PDCN believes that it is highly unlikely that a passenger using a regular taxi would be prepared to wait in excess of 30 minutes.
- This group of the traveling public experience excessive wait times between 8-9am on weekdays and 3-4pm due to WAT vehicles reallocated to school runs.
- Limited availability of WAT vehicles in the evenings and over the weekends, severely impacts on our constituency.
- Whilst it is acknowledged that wait times are comparable to passengers using regular taxis in some parts of metropolitan Sydney, this availability is not uniform with the following areas still experiencing delayed wait periods:
 - Newcastle
 - the Liverpool/ Campbelltown areas and
 - Northern Beaches of Sydney.

7. FEEDBACK ON THE REVIEW

It is understood that the ‘Taxi Cost Model’ guides the NSW Ministry of Transport and IPART with information pertaining to the establishment and ongoing costs involved in operating a taxi while the ‘Average Fare Calculation’ is used to determine taxi fares.

This calculation is made up of the following components:

- Flag fall
- Distance rate
- Tariff 11 distance rate (country only)
- Night time surcharge
- Booking fees
- Waiting time
- Luggage fees

¹ Independent Pricing and Regulatory Tribunal, 2008 Review of Taxi Fares in NSW .

Data in the IPART report indicates that the **average trip in Sydney** is 7 kilometers with a waiting time of 3 minutes when the taxi is stationary or going below 25.81 kilometers per hour; and 20% of these taxi bookings are made by phone. Similarly, the **average trip in country NSW** is 3 kilometers with a 3 minute waiting time: with 50% of these bookings made by phone.²

Recommendation 1: That the travel needs of the constituency of PDCN must to be considered in the IPART 'average fare calculation'.

The constituency of PDCN has particular travel needs due to limited public transport, and this group of traveling public need consideration when assessing the average fare calculation:

- Due to the lack of accessible public transport, frequently people with physical disabilities have no other choice than to use taxi travel;
- People living in country NSW will frequently travel greater distances due to limited or infrequent public transport;
- Passengers requiring WATs have difficulty obtaining a WAT if only travelling 7 kilometres in urban Sydney or 3 kilometres in country NSW;
- *Community Transport* is often the only accessible transport option in country NSW;
- Bookings for WAT services need to be made by phone, either to a central line or directly to the taxi driver. Hailing a taxi from the street or from a taxi stand is not an option for WAT users. This means that for every taxi trip, WATs users need to pay an additional \$1.60 booking fee and the price of at least one phone call, which places an additional financial burden for WATs passengers; and
- The *Zero200 Network* had a virtual monopoly of the wheelchair taxi industry.

The following statement in a report recently published by the *Australian Taxi Council* provides an insight into the long-term viability of the wheelchair taxi industry in NSW: 'Disabled people may at times be more difficult and challenging to deal with and this making it hard to attract new drivers.'³ PDCN believes that aside from this prejudicial nature of this statement, if every taxi driver received disability awareness training and all drove accessible taxis, such attitudes would soon disappear.

It is recognised that since the early 1980's the NSW Department of Transport has introduced many initiatives aimed at facilitating the purchase of WATs plates in metropolitan Sydney and rural NSW including:

- Extended life span for WAT vehicles to 10 years, rather than 6 years for regular taxis operated in metropolitan Sydney and 8 years in the country NSW;
- Discounted WAT licenses to \$1,000 per annum in metropolitan Sydney and free in country NSW;
- Five year interest-free loans to assist with the purchase of new or additional WAT vehicles available to country taxi operators;
- Funding for additional training for drivers of WAT vehicles;

² Ibid.

³ Nicholls, D. (2007) *Transporting the Wheelchair Dependent. A Review of the WAT Industry*, Australian Catholic University: Canberra.

- A trial of a \$10 driver incentive payment on Christmas Day and Easter Sunday;
- A six month trial starting December 2007 of an incentive payment of \$8.47 to drivers of WAT vehicles to compensate drivers for the additional time required when loading a passenger using a WAT vehicle; and
- Opportunity to charge at a higher rate if carrying more than six passengers.

State/ Territory	Lift fee/ bonus	Max. age of vehicle	Discount for WAT leases	Price of a WAT licence	High occupancy tariff	Other
ACT	\$10*	10 yrs for WATs. 8 yrs std. for metro.	\$1000/ yrs	Nil	^tariff when carrying >six psgnrs	Nil
NSW	Nil	10 years for WATs. 8 yrs std. for rural 6 yrs std for metro.	\$1000/ yrs for metro. Free in rural NSW	Nil	Nil	Loan scheme to obtain in rural NSW. Funding for WAT training.
Victoria	\$6.70 of a \$10 lift fee must go to the driver	10.5 yrs for WATs. 6.5 yrs std.	Rural WAT leased at 50% discount compared to std.	Metro WAT licence trades at a discount on the open market	^tariff when carrying >six psgnrs	Network may offer \$1/km dead- running time**
Tasmania	\$10-16	10 yrs for WATs. 8 yrs std.	Free \$10 yr with conditions attached	Nil	^ tariff when carrying >five psgnrs	Higher tariff for WATs
Western Aust.	Nil	8 yrs for WATs 6 yrs std.	\$100/wk- WATs, \$250/wk std.	Nil	Nil	Funds training costs for up to 10 WAT drivers
QLD	Nil	8 yrs for WATs. 6 yrs std.	Nil	WAT licence trades at a discount on the open market***	Surcharge maybe applied when pre- booked	Nil

Table 1- Summary of WAT incentives in Australian States/ Territories⁴

*From 1 August 2006 the lift fee has been extended from those eligible for TTSS membership to include all wheelchair dependent WAT users.

**Available only in Victoria to assist networks in rural Victoria that does not maintain a WAT.

***Funding available only in Queensland to replace regular vehicles with WATs in 72 rural communities.

⁴ Ibid.

Recommendation 2: PDCN urges IPART to recommend the introduction of a universal taxi fleet, by replacing the regular taxi fleet vehicles with WATS over the following 10 years, to provide an equitable taxi service for all members of the community.

As the majority of WATs operators are themselves drivers, PDCN believes that most operator/drivers make a long-term commitment to purchase a WAT and are probably motivated primarily by the ability to replace their vehicle less regularly, and the annual discounted WAT lease. Though even with these incentives the interest has been marginal, and consequently PDCN would like to stress that replacing standard taxi vehicles with WATs over the following ten years would resolve this issue.

City	% of WAT vehicles in March 2006	Land mass (Square miles)	Population size (Million)
Melbourne	6.4	2,080	3.2
Sydney	6.4	1,687	4.9
Brisbane	12.0	1,603	1.5
Perth	9.3	964	1.2

Table 2: WATS in Australian cities, compared to land mass and population size

It is recognised that the measure used in the DDA transport standards requires equivalent response times, not the quantity of WATs per regular taxi fleet.

Using Tables 1 and 2 it is possible to compare which WAT incentives have been available in urban Australia and how effective this has been relative to land mass and population density.

For example, in Melbourne numerous WATs incentives have been available through the Victorian Government, although the acquisition of WAT vehicles has been relatively poor. Whereas in Brisbane, the number of incentives is relatively minimal but the purchase of WAT plates high.

Recommendation 3: PDCN seeks the support of IPART:

- **To increase the level of the TTSS subsidy from 50% of the metered fare to 75%; and**
- **To increase the upper limit of subsidised fare from \$30 to \$50.**

PDCN proposes that the level of TTSS be increased from 50% of the taxi fare to 75% and that the upper limit of the subsidy be increased from its current \$30 to \$50.

PDCN recommends an increase in the subsidy due to the significant additional costs this group of the traveling public incurs due to having a disability. Passengers using WATS in Western Australia are already entitled to a subsidy of 75% with an upper limit of \$25.

PDCN understands taxi fares in NSW are **22.3% higher** than in the late 1990's. During the same period, there has been **no increase in the level of subsidy made available** to people using support through the TTSS. It is well-known that many of our constituency are on low, fixed incomes, which have not kept pace with inflation.

When the effects of the introduction of GST are included, for our constituency there has been a drop in real income during the period when taxi fares have increased. Due to the significance of this issue, PDCN will continue to advocate for an **increased level of subsidy**.